

Page 1

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
) File No. FL-03930-A
PALM HOUSE, LLC)

WITNESS: Robert Viers Matthews

PAGES: 1 through 348

PLACE: Securities and Exchange Commission
801 Brickell Avenue, Suite 1800
Miami, Florida 33131

DATE: Tuesday, January 31, 2017

The above entitled matter came on for hearing, pursuant to notice, at 9:12 a.m.

Diversified Reporting Services, Inc.

(202) 467-9200

<p style="text-align: right;">Page 2</p> <p>1 APPEARANCES:</p> <p>2</p> <p>3 On behalf of the Securities and Exchange Commission:</p> <p>4 SHELLY-ANN SPRINGER CHARLES, ESQ.</p> <p>5 ERIC BUSTO, ESQ.</p> <p>6 TIMOTHY J. GALDENCIO, ACCOUNTANT</p> <p>7 CRYSTAL IVORY, ACCOUNTANT</p> <p>8 Securities and Exchange Commission</p> <p>9 Division of Enforcement</p> <p>10 801 Brickell Avenue, Suite 1800</p> <p>11 Miami, Florida 33131</p> <p>12 (305) 982-6300</p> <p>13</p> <p>14 On behalf of the Witness:</p> <p>15 BRUCE E. REINHART, ESQ.</p> <p>16 McDonald Hopkins, LLC</p> <p>17 505 South Flagler Drive</p> <p>18 Suite 300</p> <p>19 West Palm Beach, Florida 33401</p> <p>20 (561) 472-2970</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p style="text-align: right;">Page 4</p> <p>1 CONTENTS(CONT.)</p> <p>2</p> <p>3 EXHIBITS: DESCRIPTION IDENTIFIED</p> <p>4 161 Emails 279</p> <p>5 162 Emails, 7/13 282</p> <p>6 163 Handwritten Notes 285</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p style="text-align: right;">Page 3</p> <p>1 CONTENTS</p> <p>2</p> <p>3 WITNESS: EXAMINATION</p> <p>4 Robert V. Matthews 10</p> <p>5</p> <p>6 EXHIBITS: DESCRIPTION IDENTIFIED</p> <p>7 142 Subpoena, 9/12/16 10</p> <p>8 143 Subpoena, 2/24/15 11</p> <p>9 144 Subpoena, 4/14/15 11</p> <p>10 145 Subpoena, 2/12/15 14</p> <p>11 146 Subpoena, 4/13/15 15</p> <p>12 147 Subpoena, 4/14/15 15</p> <p>13 148 Background Questionnaire 21</p> <p>14 149 Palm House Documents 29</p> <p>15 150 Email, 11/20/12 42</p> <p>16 151 Email, 8/30/12 69</p> <p>17 152 Email, 1/8/13 74</p> <p>18 153 Email, 8/14 76</p> <p>19 154 Email, 9/13/14 79</p> <p>20 155 Email, 5/13/15 81</p> <p>21 156 Email, 11/25/12 125</p> <p>22 157 Emails 168</p> <p>23 158 Emails, 9/14 180</p> <p>24 159 SEC-LAUDANONP-0001716 - 1719 197</p> <p>25 160 Quick Reports 248</p>	<p style="text-align: right;">Page 5</p> <p>1 PROCEEDINGS</p> <p>2 MS. SPRINGER-CHARLES: We are on the</p> <p>3 record at 9:12 a.m. on January 31st, 2017. We're</p> <p>4 located in the offices of the Miami regional</p> <p>5 office of the U.S. SEC in Miami, Florida. My name</p> <p>6 is Shelly-Ann Springer-Charles. With me are Tim</p> <p>7 Galdencio and Crystal Ivory, who are staff</p> <p>8 accountants. A little bit later I think Eric</p> <p>9 Busto, who's an Assistant Regional Director here,</p> <p>10 will be joining us. Eric, Tim, Crystal, and I are</p> <p>11 members of the staff of the Enforcement Division</p> <p>12 of the Securities and Exchange Commission.</p> <p>13 (Mr. Busto enters the room.)</p> <p>14 MS. SPRINGER-CHARLES: Let's go off the</p> <p>15 record.</p> <p>16 (A brief recess was taken.)</p> <p>17 MS. SPRINGER-CHARLES: We're back on the</p> <p>18 record.</p> <p>19 Mr. Matthews, every time I go off the</p> <p>20 record and I come back on, I ask this question:</p> <p>21 Did you and any member of the staff have any</p> <p>22 substantive discussions about this matter while we</p> <p>23 were off the record?</p> <p>24 MR. MATTHEWS: No.</p> <p>25 MS. SPRINGER-CHARLES: Okay.</p>

2 (Pages 2 to 5)

SEC_000630

<p style="text-align: right;">Page 6</p> <p>1 As I was saying, Eric, Tim, Crystal, and 2 I are members of the staff of the Enforcement 3 Division of the Securities and Exchange 4 Commission. We're officers of the Commission for 5 the purposes of this proceeding. 6 We will swear the witness now. Please 7 raise your right hand. 8 Do you swear or affirm to tell the 9 truth, the whole truth, and nothing but the truth? 10 MR. MATTHEWS: I do. 11 Whereupon, 12 ROBERT VIERS MATTHEWS 13 was called as a witness and, having been first 14 duly sworn, was examined and testified as follows: 15 MS. SPRINGER-CHARLES: Please state your 16 full name and spell your name for the record. 17 THE WITNESS: Robert veers Matthews. 18 MS. SPRINGER-CHARLES: Spell your full 19 name. 20 THE WITNESS: R-O-B-E-R-T, V-I-E-R-S, 21 M-A-T-T-H-E-W-S. 22 MS. SPRINGER-CHARLES: This is an 23 investigation by the United States Securities and 24 Exchange Commission in the matter of Palm House, 25 LLC to determine whether there have been</p>	<p style="text-align: right;">Page 8</p> <p>1 your firm's name, your firm's address, and its 2 telephone number. 3 MR. REINHART: Yes. Good morning. Bruce 4 Reinhart from the firm of McDonald Hopkins, LLC. 5 We're located at 505 South Flagler Drive, Suite 6 300 in West Palm Beach. Phone number, (561) 7 472-2970. 8 MS. SPRINGER-CHARLES: Mr. Reinhart, are 9 you representing Mr. Matthews as his counsel 10 today? 11 MR. REINHART: I am. 12 MS. SPRINGER-CHARLES: Do you represent 13 anyone else with regard to these proceedings? 14 MR. REINHART: Yes. We represent a 15 number of the Palm House related entities. I 16 believe it's Palm House, LLC and 160 Royal Palm. 17 MS. SPRINGER-CHARLES: I'll still give 18 this disclaimer. You may be represented by 19 counsel who also represents other persons or 20 entities involved in the Commission's 21 investigation. This multiple representation, 22 however, presents a potential conflict of interest 23 if one client's are or may be adverse to 24 another's. 25 If you're represented by counsel who</p>
<p style="text-align: right;">Page 7</p> <p>1 violations of certain provisions of the federal 2 securities laws; however, the facts developed in 3 this investigation might constitute violations of 4 other federal or state, civil or criminal laws. 5 Prior to the opening of the record, you 6 were provided with a copy of the Formal of 7 Investigation and the Supplemental Formal Order of 8 Investigation. They will be available for your 9 examination during the course of this proceeding. 10 Also, prior to the opening of the 11 record, you were provided with a copy of the 12 Commission's Supplemental Information Form 1662, 13 which has been marked as Palm House Exhibit 1. 14 Mr. Matthews, have you had the 15 opportunity to read Palm House Exhibit 1, which 16 was the Form 1662 that we showed you? 17 THE WITNESS: Yes. 18 MS. SPRINGER-CHARLES: Do you have any 19 questions on Palm House Exhibit No. 1? 20 THE WITNESS: No. 21 MS. SPRINGER-CHARLES: Mr. Matthews, are 22 you represented in this matter by counsel? 23 THE WITNESS: Yes. 24 MS. SPRINGER-CHARLES: Would Counsel 25 please identify yourself and state your full name,</p>	<p style="text-align: right;">Page 9</p> <p>1 also represents other persons or entities involved 2 in the investigation, the Commission will assume 3 that you and counsel have discussed and resolved 4 all issues concerning possible conflicts of 5 interest. The choice of counsel and the 6 responsibility of that choice is yours. 7 But, of course, those entities are 8 entities that are related to you, correct? 9 THE WITNESS: Yes. 10 MR. REINHART: And I'm sorry, just to be 11 clear, I believe we also represent Mr. Matthew's 12 wife and a couple of other entities, but I can 13 represent to you and to the Commission that we've 14 discussed conflict of issues with all of the 15 clients and corporate waivers have been obtained. 16 MS. SPRINGER-CHARLES: Who are the other 17 entities that you represent? 18 MR. REINHART: Bonaventure 22, I think, 19 was someone that you had served -- or at least 20 requested information about. I'd have to see the 21 list of entities. 22 MS. SPRINGER-CHARLES: How about Palm 23 House PB, LLC, do you represent that entity? 24 MR. REINHART: Palm House PB -- no, I 25 don't. We do not. And nor do we represent Palm</p>

Page 10

1 House, LLLP.
 2 MS. SPRINGER-CHARLES: Okay.
 3 THE WITNESS: May I speak?
 4 MS. SPRINGER-CHARLES: Sure.
 5 THE WITNESS: To my lawyer real quick?
 6 MS. SPRINGER-CHARLES: Let's go off the
 7 record.
 8 (A brief recess was taken.)
 9 MS. SPRINGER-CHARLES: Back on the
 10 record.
 11 Did you have any substantive discussions
 12 with any member of the staff while we were off the
 13 record, Mr. Matthew?
 14 THE WITNESS: No.
 15 MS. SPRINGER-CHARLES: I'm going to ask
 16 the Court Reporter to mark a copy of this
 17 subpoena, dated September 12th, 2016 to Robert
 18 Matthews as Exhibit No. 142.
 19 (SEC Exhibit No. 142 was
 20 marked for identification.)
 21 EXAMINATION
 22 BY MS. SPRINGER-CHARLES:
 23 **Q Mr. Matthews, I'm showing you a copy of**
 24 **a subpoena, dated September 12th, 2016 to you,**
 25 **directed to your attention. It's been marked as**

Page 12

1 expert to come in and a take everything off of my
 2 computer. I don't know his name.
 3 **Q Okay.**
 4 **Were you at all involved in searching**
 5 **for documents in order to respond to the**
 6 **subpoenas?**
 7 A Yeah. I mean, I looked through papers
 8 and things that I had to see what was there. Most
 9 everything that I had was on a computer. There
 10 was a thank you note, and I forgot that I found a
 11 thank you note later on, that I believe I had a
 12 copy of a thank you note I sent to Joe for the
 13 house loan, and I don't know if I ever -- I saw
 14 one somewhere. I don't know if I ever --
 15 MR. REINHART: Focus on the question.
 16 Talk about the steps we went through to try to
 17 find documents.
 18 THE WITNESS: We went through all the
 19 files. We went through all the computer. We did
 20 like everything. I mean, it should've been like
 21 thousands of emails.
 22 BY MS. SPRINGER-CHARLES:
 23 **Q Where were the paper files held?**
 24 A There's paper files that were in the
 25 office of Palm House, which the receiver -- I went

Page 11

1 **Exhibit 142.**
 2 **Is this a copy of the subpoena you are**
 3 **appearing pursuant to here today?**
 4 A I believe so, yes.
 5 MS. SPRINGER-CHARLES: I'm going to ask
 6 the Court Reporter to mark these next two
 7 subpoenas. They're dated February 24th, 2015 to
 8 Robert Matthews, and April 14th, 2015 to Robert
 9 Matthews as Exhibits 143 and 144.
 10 (SEC Exhibit Nos. 143 and 144
 11 were marked for
 12 identification.)
 13 BY MS. SPRINGER-CHARLES:
 14 **Q Mr. Matthews, I'm showing you what's**
 15 **been marked as Exhibits No. 143 and 144. Those**
 16 **subpoenas called for the production of certain**
 17 **documents.**
 18 **Have you tendered to the staff all**
 19 **documents called for by those subpoenas? And you**
 20 **can take your time to look through the subpoenas.**
 21 A Yes.
 22 **Q Can you please describe the search that**
 23 **was conducted for the subpoenaed documents and**
 24 **state who conducted that search.**
 25 A I believe my lawyer hired a computer

Page 13

1 up there. I looked through. He let me in, and I
 2 went up there and looked at it. And just papers
 3 that were -- I had some files at my home.
 4 **Q And what the computers, how many**
 5 **computers did you have to --**
 6 A I think I listed them on that sheet.
 7 There was one at my house, and there was one in
 8 the office.
 9 **Q Okay.**
 10 **You've withheld certain documents called**
 11 **for by the subpoena based on a claim of privilege,**
 12 **correct?**
 13 THE WITNESS: Have I? I don't know.
 14 Oh, I guess so, yeah. You mean
 15 lawyer/client?
 16 BY MS. SPRINGER-CHARLES:
 17 **Q Yes, lawyer/client privilege.**
 18 A Yeah. Sorry. Yes.
 19 **Q Okay.**
 20 **Any documents called for by the subpoena**
 21 **not produced for any reason, other than privilege?**
 22 A I'm sorry. Could you say it again?
 23 **Q Were any documents called for by the**
 24 **subpoenas, Exhibits 143 and 144, not produced for**
 25 **any reason, other than privilege?**

Page 14

1 A No. No. Everything was produced.
 2 Q Do you know of any documents responsive
 3 to these subpoenas that were not produced that
 4 were in your possession at a prior time or that
 5 were lost, destroyed, or otherwise disposed of?

6 A There could be documents that were lost.
 7 I don't know if they're lost, but there could be.

8 Q Other than you, the computer expert, and
 9 your attorneys, was anyone else involved in
 10 helping you to conduct the search for the subpoena
 11 documents?

12 A No.

13 Q Okay.

14 MS. SPRINGER-CHARLES: I'll ask the
 15 Court Reporter to mark a copy of this February
 16 12th, 2015 subpoena to Palm House care of the
 17 company corporation as Exhibit No. 145.

18 (SEC Exhibit No. 145 was
 19 marked for identification.)

20 BY MS. SPRINGER-CHARLES:

21 Q Mr. Matthews, I'm showing you what's
 22 been marked as Exhibit No. 145.

23 My only question here is: Did you
 24 receive this subpoena? I believe this is the
 25 first subpoena that I sent to the entity Palm

Page 16

1 LLC, as opposed to the earlier ones that were
 2 directed to you personally. And I'm going to go
 3 through the same questions that we asked before
 4 about the subpoenas that were directed to you.

5 Have you tendered to the staff all
 6 documents called for by Exhibits 146 and 147?

7 MR. REINHART: I'm sorry. Before you
 8 answer. Can I just clarify? To clarify the scope
 9 of his testimony today, is he also giving
 10 testimony today as the representative of the
 11 entities, or he's simply in his individual
 12 capacity?

13 MS. SPRINGER-CHARLES: In his individual
 14 capacity today, but I will be asking questions
 15 about then entities, as well.

16 MR. REINHART: No. I know you'll
 17 probably be asking questions about the entities
 18 that fall within his knowledge in his individual
 19 capacity, but I think you're going to be asking
 20 him questions about the entities' responses to the
 21 subpoenas. That's really not him testifying in
 22 his individual capacity. That's really him
 23 testifying as the corporate representative, and
 24 that's why I want to clarify if that's your
 25 intention today.

Page 15

1 House, LLC.

2 A I don't know. I thought I only had one
 3 received -- I mean, I thought I only had one, so
 4 when you showed me four, I was already a little
 5 bit confused, but I have no idea. I assume I got
 6 it, if my lawyer got it.

7 Q Well, it was directed to the registered
 8 agent for that entity. I'm just trying to confirm
 9 whether or not you --

10 A If it went to the registered agent, they
 11 usually would send me everything, so I'm sure I
 12 got it.

13 Q Okay.

14 MS. SPRINGER-CHARLES: I'll ask the
 15 Court Reporter to mark a copy of these next two
 16 subpoenas that are dated April 13th, 2015 and
 17 April 14th, 2015 to Palm House, LLC, care of Mr.
 18 Reinhart as Exhibits No. 146 and 147.

19 (SEC Exhibit Nos. 146 and 147
 20 were marked for
 21 identification.)

22 BY MS. SPRINGER-CHARLES:

23 Q Mr. Matthews, I'm showing you what's
 24 been marked as Exhibits 146 and 147. These
 25 subpoenas this time are directed to Palm House,

Page 17

1 MS. SPRINGER-CHARLES: Well, as it
 2 relates to these subpoenas, I am, particularly as
 3 it relates to the subpoenas that were directed to
 4 Palm House, LLC.

5 MR. REINHART: Okay. I don't have a
 6 problem with it, because I think it'll just speed
 7 things along, but I just wanted to make sure. If
 8 we can just be clear when you're questioning him
 9 about being in his individual capacity, as opposed
 10 to speaking on behalf of the entity, that will be
 11 helpful to me.

12 MS. SPRINGER-CHARLES: Okay.

13 MR. REINHART: Okay. Thank you.

14 So the question was -- I'm sorry. Go
 15 ahead. As to 146 and 147.

16 BY MS. SPRINGER-CHARLES:

17 Q Have you tendered to the staff all
 18 documents called for by Exhibits 146 and 147?

19 A Yes.

20 Q Can you please describe the search that
 21 was conducted for the subpoena documents and state
 22 who conducted that search?

23 A The same as before, the computer expert,
 24 and I looked at files.

25 Q Again, you've withheld documents based

5 (Pages 14 to 17)

SEC_000633

Page 18

1 on a claim of privilege, correct?

2 A Correct.

3 Q Were any of the documents called for by
4 the subpoena not produced for any reason, other
5 than that privilege?

6 A No.

7 Q Do you know of any documents that were
8 responsive to these subpoenas, but not provided
9 that were in your possession at a prior time or
10 that were lost, destroyed, or otherwise disposed
11 of?

12 A No.

13 Q Mr. Matthews, is there any mental or
14 physical reason that you cannot testify accurately
15 and truthfully in this investigation?

16 A No.

17 Q Are you presently on any drugs or
18 medications that could cause you to be unable to
19 testify accurately and truthfully in this matter?

20 A No.

21 Q Let me briefly explain the procedure
22 we'll follow today. We will be asking you
23 questions. At any time if you want to take a
24 short break to use the bathroom or drink some
25 water, feel free to tell us, and we will

Page 20

1 Q During the course of your testimony
2 today I'm going to ask you questions about things
3 that happened or may have happened in the past.
4 Obviously, time has gone by since those events,
5 and you are likely to have a better and more
6 complete memory of some events than others.

7 In answering a question about these
8 events, however, you should tell me about all of
9 your memories or recollections that are responsive
10 to the question, not just those that are specific
11 or perfectly clear or those of which you are one
12 hundred percent sure.

13 I'm asking you also for vague memories,
14 general memories, cloudy memories, and/or memories
15 of which you are less than one hundred percent
16 certain. In other words, I'm asking you for any
17 responsive recollection whatsoever you may have,
18 however, incomplete or uncertain or vague or
19 nonspecific it may be. We can then sort out which
20 memories are clear and certain and which are less
21 clear and less certain.

22 Do you understand this?

23 A Yes.

24 Q Therefore, if you answer, I don't recall
25 or I don't remember or I forget, I will assume

Page 19

1 accommodate you.

2 Also, the Court Reporter transcribes
3 these proceedings and will create a transcript of
4 your testimony at the end.

5 During your testimony, any member of the
6 staff may ask a question or a series of questions.
7 Please allow the staff to complete the question
8 before responding. If we talk over one another,
9 the record of testimony will not be clear.

10 If you do not understand a question,
11 please let us know that, so that we can try to
12 clarify the question for you.

13 Please make sure to answer my questions
14 verbally because the Court Reporter cannot pick up
15 nodding or any other gestures.

16 Do you understand that?

17 A Yes.

18 Q You may tell me at any time if you'd
19 like to change or modify a previous answer.

20 I want to inform you that we do not have
21 conversations off the record. When we go off the
22 record and talk, I will summarize what we've
23 talked about when we go back on the record.

24 Do you understand?

25 A Yes.

Page 21

1 that you have no memory or recollection whatsoever
2 that is responsive to the question asked, not even
3 fuzzy or less than crystal clear memories. Do you
4 understand that?

5 A Yes.

6 Q It may be that in reviewing certain
7 documents refreshes your recollection as to the
8 events you're questioned about. In such a case,
9 I'm asking for your testimony on everything that
10 is responsive to the question, not just clear or
11 specific recollections. Do you understand that?

12 A Yes.

13 MS. SPRINGER-CHARLES: I'll ask the
14 Court Reporter to mark a copy of this completed
15 background questionnaire of Robert Matthews as
16 Exhibit No. 148.

17 (SEC Exhibit No. 148 was
18 marked for identification.)

19 BY MS. SPRINGER-CHARLES:

20 Q Mr. Matthews, I'm showing you what's
21 been marked as Exhibit No. 148.

22 Do you recognize that document?

23 A Yes.

24 Q And what is it?

25 A The background questionnaire that I

Page 22

1 filled out.

2 **Q Did you provide all answers contained in**
3 **this exhibit yourself?**

4 A I may have asked Bruce to help me
5 clarify one or two of the questions.

6 **Q Are all the answers contained in the**
7 **exhibit accurate and complete to the best of your**
8 **knowledge?**

9 A Except for the spelling of my name,
10 which I originally said it was V-I-E-R-S, and this
11 says V-I-R-E-S, and I don't really know which is
12 the correct spelling, sorry to say.

13 **Q Okay.**

14 **Were you going to look for it?**

15 A I looked in my wallet for my license,
16 and it just has a V.

17 **Q Okay.**

18 A It's a small town in France that I was
19 named after, and I always forget the spelling, and
20 I just don't remember. I'm sorry.

21 MS. IVORY: Included on page number
22 four, question number seventeen, as it relates to
23 privately-held companies, your response is, too
24 many to list.

25 THE WITNESS: This is a true statement.

Page 24

1 saying?

2 MS. IVORY: Yes.

3 THE WITNESS: Okay. I can do that. You
4 want me to try?

5 BY MS. SPRINGER-CHARLES:

6 **Q Go ahead.**

7 A Palm House PB, LLC, Palm House, LLC. If
8 I don't own it, do I list it, or no?

9 **Q If you either owned it directly or**
10 **indirectly.**

11 A So my wife owns Bonaventure, LLC. She
12 owns Mirabia, LLC. Matthews Ventures and/or
13 Matthews Ventures Holdings, LLC.

14 MR. REINHART: Miss Springer, can I show
15 him the subpoena that has the list? Maybe that'll
16 help him to just go through and that will refresh
17 his memory to some of those.

18 MS. SPRINGER-CHARLES: Sure.

19 MR. REINHART: Maybe start with this.
20 Just go through the entities that are -- I'm
21 sorry. I'm showing you the subpoena that's marked
22 April 14th to Palm House, LLC directed to me. Just
23 look under the definitions under Section A.
24 There's a list of a number of entities. Why don't
25 we just start -- why don't you tell them which, if

Page 23

1 I've had dozens of LLCs. Most of them are --
2 don't exist anymore, but I think this asks for
3 like -- I believe this asks for all of them.

4 MS. IVORY: And if we had to, I guess,
5 narrow it down to those for which you had now as
6 of January 1st, 2012 to the present, could you
7 share those with us?

8 THE WITNESS: Yeah. I'm sorry. Which
9 question is it?

10 MS. IVORY: Number seventeen.

11 MR. REINHART: Seventeen.

12 THE WITNESS: I'm looking at fourteen.
13 I'm getting confused.

14 MR. REINHART: This is the question
15 about LLCs that you --

16 THE WITNESS: Oh, too many to list.
17 Okay. Yeah.

18 MR. REINHART: And so her question was:
19 If you just look at 2012 to the present, can you
20 narrow that down and answer the ones --

21 THE WITNESS: Even the ones that don't
22 exist anymore?

23 BY MS. SPRINGER-CHARLES:

24 **Q Correct.**

25 A Try to remember, is that what you're

Page 25

1 any, of those you have an ownership interest in,
2 or had an ownership interest.

3 THE WITNESS: 149 Brazilian, LLC, I
4 think. I'm not sure if that's the one. If that's
5 the land behind the hotel. 160 Royal Palm, LLC,
6 Royal 160, LLC, Alibi, LLC, Alibi Limited,
7 Bonaventure.

8 MR. REINHART: Slow down.

9 THE WITNESS: I don't know if I ever had
10 Botticelli. Flagship --

11 MR. REINHART: And remember the
12 instructions Ms. Springer gave you. If you think,
13 just make clear you're guessing, as opposed to
14 speculating, as opposed to you know for sure. Just
15 whatever recollection you have share it with them.

16 THE WITNESS: I don't know if I had
17 Flagship Directors. I don't know if I even heard
18 of it.

19 I think Hospitality Investors Group or
20 HIG Acquisitions. One of them is Frank's, and one
21 of them we set up as mine.

22 MR. REINHART: Frank who?

23 THE WITNESS: Frank Orenstein.

24 MR. REINHART: Thank you.

25 THE WITNESS: LLC -- Palm Peach, LLC

7 (Pages 22 to 25)

SEC_000635

Page 26

1 could be the entity we set up to be the restaurant
 2 for the hotel. I'm not sure.
 3 That's it.
 4 MS. IVORY: Thank you.
 5 If we flip the page and take a look at
 6 page number five, questions twenty and twenty-one,
 7 the responses were blank. I wanted to confirm
 8 whether number nineteen includes all of the
 9 securities or brokerage accounts that --
 10 THE WITNESS: Yeah. So twenty and
 11 twenty-one I put on nineteen. Sorry.
 12 MS. IVORY: Okay. No problem.
 13 And if we turn to page thirty-one -- I'm
 14 sorry, number thirty-one on page number eight,
 15 pretty much from thirty-one, thirty-two, and
 16 thirty-three were blank, and it's just surrounding
 17 your educational history and any licenses you may
 18 hold, courses taken. If you could just provide a
 19 quick background on that.
 20 MS. SPRINGER-CHARLES: Thirty-four and
 21 thirty-five, also, just so the record's clear.
 22 THE WITNESS: Thirty-one, I did two
 23 years at Cape Cod Community College and got an AA,
 24 and did a year at UMass Amherst.
 25 MS. IVORY: Okay.

Page 27

1 THE WITNESS: Yeah. I don't know of any
 2 other courses that I took. I could've. I just
 3 don't remember.
 4 And professional licenses, number
 5 thirty-three, I'm an airplane pilot. Does that
 6 count, or no?
 7 MS. IVORY: Okay.
 8 MR. REINHART: But, for example, you've
 9 never been a CPA, you've never had a securities
 10 license, you've never been a contractor or
 11 anything like that?
 12 THE WITNESS: No. Scuba diving, too.
 13 MR. REINHART: That's not a profession.
 14 THE WITNESS: Okay. Sorry.
 15 MS. IVORY: So what about number
 16 thirty-five, are you or have you ever been a
 17 member of any business club or organization?
 18 THE WITNESS: Yes. Yes. You mean like
 19 Board member for American Cancer Society, that
 20 kind of thing?
 21 MS. SPRINGER-CHARLES: Right.
 22 MS. IVORY: Yes.
 23 THE WITNESS: Yeah. I mean, a lot of
 24 them.
 25 BY MS. SPRINGER-CHARLES:

Page 28

1 **Q You can try to limit it to 2012 through**
 2 **the present.**
 3 A Yeah. I would say American Cancer
 4 Society and -- board memberships, right? Oh,
 5 committees. And various fundraising committees
 6 for various fundraising events that my wife and
 7 myself are involved with.
 8 MS. IVORY: Okay.
 9 And number thirty-six, surrounding your
 10 membership in any social clubs, charities, or
 11 organizations, the answer's yes, but there is no
 12 list.
 13 THE WITNESS: That would be like Donald
 14 Trump's Mar-a-Lago Club. Is that what you mean by
 15 that?
 16 MR. REINHART: Yes.
 17 MS. IVORY: Yes.
 18 THE WITNESS: Okay. And then the golf
 19 club, Trump International Golf.
 20 MS. IVORY: Okay.
 21 THE WITNESS: And we set up a charity
 22 several years ago after 2012, I'm pretty sure,
 23 that was called the Matthews Family Foundation in
 24 the hopes of raising a lot of money. So that
 25 would be one of them. I can't think of any other

Page 29

1 clubs.
 2 MR. REINHART: Okay.
 3 MS. IVORY: Thank you.
 4 MS. SPRINGER-CHARLES: I'll ask the
 5 Court Reporter to mark a copy of this composite
 6 exhibit of documents related to the Palm House,
 7 LLC, I believe, generally to the Palm House, LLC
 8 and may encompass 160 Royal Palm and maybe Palm
 9 House PB, LLC, but we'll go through it to sort of
 10 guide our discussion about the entities now, as
 11 Exhibit No. 149. And I believe these documents
 12 may be produced by you, so hopefully you've seen
 13 them before.
 14 (SEC Exhibit No. 149 was
 15 marked for identification.)
 16 BY MS. SPRINGER-CHARLES:
 17 **Q Mr. Matthews, I'm showing you what's**
 18 **been marked as Exhibit No. 149. We can refer to**
 19 **it as needed as we discuss these entities.**
 20 **Have you seen these documents before?**
 21 A Yes.
 22 **Q 160 Royal Palm, LLC is the entity that**
 23 **owns the hotel, correct?**
 24 A Yes.
 25 **Q On August 30th, 2013, Glenn Straub**

Page 30

1 assigned his interest in 160 Royal Palm, LLC to
 2 Palm House, LLC, correct?
 3 A I don't know the date, but if you tell
 4 me, I believe you.
 5 Q And we can refer to this package.
 6 A Yeah. There's a closing file somewhere,
 7 but it's not here, I don't think.
 8 Q We'll get to that later on today.
 9 A Okay. If it's the closing date, then
 10 I'm sure that's the closing date if you tell me.
 11 Q Okay. But that's what happened, Glenn
 12 Straub at some point in 2013 assigned his
 13 membership interest in 160 Royal Palm, LLC to Palm
 14 House, LLC, correct?
 15 A Yes.
 16 Q Gerry Matthews owned ninety-nine percent
 17 membership interest in Palm House, LLC at that
 18 time, correct?
 19 A Yes.
 20 Q And Ryan Black owned one percent?
 21 A Yes.
 22 Q Is that still the case?
 23 A Well, we tried to tender the offer to
 24 get rid of Ryan, so I don't know if he legally
 25 still does, but I think legally he does.

Page 31

1 Q Own one percent?
 2 A Own one percent, yes.
 3 Q And who owns the other ninety-nine
 4 percent?
 5 A Well, the other ninety-nine percent was
 6 in my brother's name, but it was never really for
 7 him. It was always for me.
 8 Q Okay.
 9 A So he legally owns it.
 10 Q Okay.
 11 Ryan Black was the managing member of
 12 Palm House, LLC until at least October 19th, 2014
 13 correct? I think I put these documents in
 14 chronological order to kind of follow, you know,
 15 the formation of the entity and then ultimately
 16 what had happened. So I think if we go to
 17 October --
 18 A 20th. I see it.
 19 Q Yes. Right?
 20 A Yes.
 21 Q So I'm correct?
 22 A You're correct.
 23 Q Okay.
 24 On October 20th, your brother Gerry
 25 removed him as managing member, correct?

Page 32

1 A Yes.
 2 Q And he appointed Leslie Evans as
 3 managing member on October 21st, 2014?
 4 A Yes.
 5 Q Okay.
 6 So I think you mentioned this, but
 7 although Gerry and Ryan owned the membership
 8 interest in Palm House, LLC, were you the one that
 9 was in control of that entity between the time it
 10 was formed and today?
 11 A No. I was -- I had Gerry's interest. I
 12 never had Ryan's interest.
 13 Q Okay.
 14 A He was the managing member.
 15 Q But you had Gerry's interest between the
 16 time that entity was formed --
 17 A Yes.
 18 Q -- and the present?
 19 A Yes.
 20 Q Okay. And that's that ninety-nine
 21 percent interest in that -- well, in that entity?
 22 A Yes.
 23 MR. REINHART: But when you say you had
 24 interest, just can you clarify? You had effective
 25 control over that member interest?

Page 33

1 THE WITNESS: Right.
 2 MR. REINHART: Okay.
 3 BY MS. SPRINGER-CHARLES:
 4 Q What about 160 Royal Palm, did you have
 5 control of that entity from the time that Palm
 6 House, LLC acquired the membership interest from
 7 Straub until the present --
 8 A Well, Palm --
 9 Q -- the ninety-nine percent?
 10 A No. 160 was owned by Palm House. So
 11 Palm House was the managing member and the owners
 12 owned 160.
 13 Q Okay.
 14 A So Palm House controlled 160.
 15 Q But through your control -- well, your
 16 ninety-nine percent interest, then you also had
 17 that control over 160?
 18 A Yes, in effect.
 19 Q Okay.
 20 Why wasn't your name on any of the
 21 paperwork -- on any of the paperwork related to
 22 the ownership of either Palm House, LLC and,
 23 ultimately, 160 Royal Palm when Palm House
 24 acquired it from Straub? Why wasn't it just you?
 25 A Because I had blown up in '08 and lost

9 (Pages 30 to 33)

SEC_000637

Page 34

1 over three hundred million dollars, and I was in
2 the newspapers, and my wife made me promise to not
3 end up in the papers again. And so I asked my
4 brother if he would do it for me and be the owner,
5 and I asked Ryan if he would be the managing
6 member. I had met him earlier and asked him if he
7 would help out, and he said he would. And so
8 that's really why.

9 **Q Why did you need Ryan to be the managing**
10 **member?**

11 A He just had a baby, and I'd met him
12 through a mutual friend. I think Dean Metropolis.
13 And I was trying to help him out. And, for
14 example, in the operating agreement, it says you
15 can buy him out for two hundred and twenty
16 thousand dollars. Originally, it said twenty-two
17 thousand. I said, oh, Ryan, you just had a baby,
18 let's make it so you got some more money out of
19 it. So he had some expertise. He knew some
20 architects in New York. He seemed like a kid on
21 the ball, so I thought he could help out and do a
22 good job. He had a lot of more New York
23 experience than I did.

24 **Q Why did Gerry agree to do this for you?**

25 A I think Gerry, who never got any

Page 36

1 **hotel through, you know, the ownership or the**
2 **majority interest in these entities, so to make it**
3 **easier, the time that you acquired the hotel until**
4 **the receiver entered the picture. That's really**
5 **the timing for most of the questions, if not all**
6 **of the questions today. Okay?**

7 A Okay.

8 **Q Did Ryan defer to you? Did he come to**
9 **you before making decisions as it related to the**
10 **hotel?**

11 A I don't know if he came to me before
12 making decisions. I'm trying to think of a
13 specific thing in my memory even if it's hazy
14 part. And I think when he lined up the architects
15 and when he lined up the computer experts for all
16 the hardware and everything, he just did it on his
17 own and would send the bills in, so --

18 **Q But did you direct him to do those**
19 **things?**

20 A I mean, I think it was mutual. We both
21 needed -- we needed to get the systems in place. I
22 don't think it was me or him specifically.

23 **Q Was there a separate agreement between**
24 **you, Gerry, and Ryan showing that you were**
25 **actually the owner of the hotel?**

Page 35

1 economic interest in any anything, except for lots
2 of legal suits because of Joe, did it as a brother
3 to help out.

4 **Q Were you the person who was, ultimately,**
5 **in charge of the day-to-day management of the**
6 **hotel once Palm House acquired Straub's interest**
7 **in 160 Royal Palm?**

8 A Yeah. Ryan had certain things that he
9 did, but I was there every day. He wasn't there
10 every day.

11 **Q What did Ryan do?**

12 A Oh, he got the -- he lined up the
13 computers. He lined up bids for architects. He
14 was trying to put together an advisory board. He
15 did all kinds of things.

16 MR. REINHART: I'm sorry. Can I just
17 clarify the time frame. You say he was in charge.
18 Up until the point, I assume, the receiver's
19 appointed?

20 MS. SPRINGER-CHARLES: Correct. Correct.

21 MR. REINHART: I just wanted to clarify.

22 BY MS. SPRINGER-CHARLES:

23 **Q So for most of, if not all of my**
24 **questions, are going to be from the time that --**
25 **well, I'll just say you, ultimately, acquired the**

Page 37

1 A No.

2 **Q Okay.**

3 Can you turn with me to the document
4 that's -- I think it's in chronological order. So
5 there's an email, dated 8/14/2014, and attached to
6 it, it's an email from Ryan Black to Bob Matthews.
7 Did you receive this email?

8 A I'm sorry. Thanks.

9 Yes. Yes.

10 **Q Why did Ryan send this to you at this**
11 **time?**

12 A I think we were fighting at that time,
13 and he had sent me a draft, transfer membership
14 interest, and I foolishly didn't do it.

15 **Q Why were you fighting at this time?**

16 A This is in '14, right?

17 **Q August 14th, 2014.**

18 A I don't remember. I just remember we
19 weren't getting along. I can't tell you
20 specifically why. I just remember we weren't
21 getting along.

22 **Q So the transfer of membership interest**
23 **agreement, this was never executed, correct?**

24 A True.

25 **Q Okay.**

Page 38

1 Turn with me to the email, dated
2 10/25/2014. It's an email from
3 rvmatthews22@gmail.com to Frank Orenstein and Nick
4 Laudano. It's forwarding a document that, I
5 believe, came from Gerry Matthews.

6 A As discussed --

7 Q And the attachment is -- if you keep
8 going, the document that's supposed to be attached
9 to the email follows. It's a limited power
10 attorney of Gerry Matthews.

11 A Oh, okay. Yes.

12 Q Why did Gerry send this document to you
13 at that time?

14 A I don't remember. I probably asked him
15 for it.

16 Q Why?

17 A I have no idea. Somebody probably said,
18 Bob, you have to have Gerry's power of attorney. I
19 don't remember.

20 MR. REINHART: Hold on a second. Can
21 you -- maybe you can help. Was this before or
22 after the incident where Mr. Black goes to the
23 hotel with the armed guards?

24 MS. SPRINGER-CHARLES: This is after,
25 because it's certainly after Les Evans was, you

Page 40

1 Lastly, I'd like to ask you about the
2 email, dated 1/7/2015. It's from Gerry Matthews
3 to Bob Matthews. You received this email,
4 correct?

5 A Oh, yes.

6 Q Were these documents attached to this
7 email, were they executed -- or fully executed, I
8 should say?

9 A No, I don't think so.

10 Q To make the record clear, who are the
11 current members of Palm House, LLC?

12 A Ryan Black, under protest, and Gerry
13 Matthews.

14 Q Is the power of attorney that Gerry
15 provided to you, is that still valid?

16 A No.

17 Q No. Why not?

18 A Can I go off the record?

19 MS. SPRINGER-CHARLES: Let's go off the
20 record.

21 (A brief recess was taken.)

22 MS. SPRINGER-CHARLES: Let's go back on
23 the record.

24 BY MS. SPRINGER-CHARLES:

25 Q Mr. Matthews, did you have any

Page 39

1 know, made managing member. He was made managing
2 member on the 21st, and this email was sent on the
3 25th.

4 MR. REINHART: That time sequence, does
5 that refresh your memory as to why you had
6 gotten --

7 THE WITNESS: Yes. Thank you.

8 MR. REINHART: Answer their question.

9 THE WITNESS: I think Alan Berger --

10 BY MS. SPRINGER-CHARLES:

11 Q Well, I don't want you to discuss with
12 me anything that your attorney -- and today, I'd
13 like you to be careful not to discuss with me any
14 attorney/client privilege communications that you
15 had with your attorneys.

16 MR. REINHART: So let me instruct him.

17 If the truthful answer to the question
18 is simply, it was based on something I discussed
19 with my attorneys, you can answer it that way, but
20 just don't get into what you and your attorneys
21 discussed.

22 THE WITNESS: It was based on something
23 that I discussed with my attorneys.

24 BY MS. SPRINGER-CHARLES:

25 Q Okay.

Page 41

1 substantive discussions with any members of the
2 staff while we were off the record?

3 A No.

4 Q And I believe the question was, whether
5 the power of attorney that Gerry had provided to
6 you was still valid, and your response was no, and
7 the next question was, why not?

8 A He revoked it. I don't know the
9 specific reason.

10 Q Palm House PB was the entity that
11 entered into the original contract with Glenn
12 Straub to purchase the hotel, correct?

13 A Yes.

14 Q I believe when I looked at the corporate
15 documents, and I don't have them in front of me,
16 but take my word for it, if you will, for a
17 minute, I believe Leslie Evans was listed as the
18 managing -- the manager of that entity.

19 A Yes.

20 Q Were you, though, the person that was,
21 you know, ultimately in control of that entity?

22 A Yeah. Les set it up, and I don't know
23 if he owned it or if I owned it. In my mind, I
24 owned it, but I don't know if I legally owned it.

25 Q Okay. But in your mind, you owned it?

11 (Pages 38 to 41)

SEC_000639

Page 42

1 A In my mind, yes.

2 **Q Did you direct Les to set up the entity?**

3 A I believe I did, yes.

4 **Q And was that in order to purchase the**
5 **hotel? Was that why it was set up?**

6 A Originally to purchase the hotel, and
7 then to purchase the interest from the LLC that
8 Glenn Straub owned.

9 **Q Okay.**

10 **What is MVH, LLC?**

11 A It sounds like it stands for Matthews
12 Ventures Holdings, LLC.

13 MS. SPRINGER-CHARLES: I'll ask the
14 Court Reporter to mark -- maybe this will help our
15 discussion about it -- a copy of this composite
16 exhibit. It's a November 20th, 2012 email from
17 Bob Matthews to Ryan Black, as well as an October
18 14th, 2014 email from Ryan Black to Joseph Walsh
19 as Exhibit No. 150.

20 (SEC Exhibit No. 150 was
21 marked for identification.)

22 BY MS. SPRINGER-CHARLES:

23 **Q Mr. Matthews, I'm showing you what's**
24 **been marked as Exhibit No. 150. I don't know if**
25 **this first email will jog your memory as to, you**

Page 44

1 THE WITNESS: Is this the entity that
2 owns the Palm House -- I guess he's asking if the
3 entity owns the Palm House. I don't know.

4 BY MS. SPRINGER-CHARLES:

5 **Q The email is an email originally, I**
6 **think, from Joseph Walsh to Ryan Black.**

7 A Oh, okay. From Joseph Walsh to Ryan
8 Black.

9 **Q If you start at the bottom, it looks**
10 **like, you know, Joseph Walsh sends him an email**
11 **with a link to Matthews Ventures Holdings, LLC.**
12 **And Ryan Black's response is -- and, again,**
13 **remember the subject is, Is this the entity that**
14 **owns the Palm House? Ryan Black says, "It is MVH,**
15 **LLC. That entity is Bob's old entity. It has so**
16 **many liabilities, that they set up MVH, LLC as a**
17 **Delaware Corp. owned by Gerry."**

18 A Well, MVH, LLC, if it's short for
19 Matthews Ventures Holdings, LLC, it's one of the
20 ones that I did used to own. I don't really
21 understand what the question is.

22 MR. REINHART: I don't think you
23 understand. Look here -- can I?

24 MS. SPRINGER-CHARLES: Go ahead.

25 MR. REINHART: Okay. Thank you.

Page 43

1 know, just the timing of the email.

2 **First, did you send this email to Ryan**
3 **Black? That's my first question.**

4 A Yes.

5 **Q All right. And it looks like on or**
6 **about November 20th, Ryan Black may have formed**
7 **this entity; although, it says, Dear, Gerry. Does**
8 **this refresh your recollection as to what this**
9 **entity is and why it was formed?**

10 A I -- Ryan Black must've asked him to
11 form an entity. I just don't remember what was in
12 this entity, if anything. I don't know if it ever
13 was used or not.

14 **Q The next email, you're not on this**
15 **chain, but Ryan Black appears to be speaking to**
16 **Joseph Walsh, and he says, "It is MVH, LLC. That**
17 **entity is Bob's old entity. It has so many**
18 **liabilities, that they set up MVH, LLC as a**
19 **Delaware Corp. owned by Gerry."**

20 **Does that at all refresh your**
21 **recollection as to what that entity is?**

22 A No.

23 MR. REINHART: If I can, look at the
24 title -- the subject line on the email. That may
25 refresh your memory, if it does.

Page 45

1 So it's an email, it looks like here,
2 from Mr. Walsh to Mr. Black, and attached, as Ms.
3 Springer points out to you, is a link to the
4 Matthews Ventures Holdings, LLC on the Internet.

5 THE WITNESS: Okay.

6 MR. REINHART: And the question is: Is
7 this the entity -- they're asking if Matthews
8 Ventures Holding is the entity that owns the Palm
9 House, and the response is, it is MVH, LLC. That
10 entity -- presumably referring to Matthews
11 Ventures Holdings, is Bob's old entity.

12 So as I read this what it's saying is,
13 Mr. Walsh says to Mr. Black, if Matthews Ventures
14 Holdings owns the hotel, and the response is, no,
15 that's his old entity, they're creating a new
16 entity, MVH, LLC.

17 THE WITNESS: Yeah. But aren't they
18 saying that MVH, LLC owns the hotel? It doesn't
19 I don't understand.

20 BY MS. SPRINGER-CHARLES:

21 **Q Okay. And that's my question. That**
22 **would be my ultimate question. Is there any**
23 **agreement out there or any documents out there**
24 **that suggest that MVH, LLC actually owns the**
25 **hotel?**

Page 46

1 A No.
2 Q Okay.
3 THE WITNESS: Thank you, Bruce.
4 MR. REINHART: I'm not just a potted
5 plant.
6 BY MS. SPRINGER-CHARLES:
7 Q What is Matthews Commercial Properties?
8 A It's my brother's brokerage firm in
9 Connecticut.
10 Q What type of brokerage firm?
11 A Real estate, commercial brokerage.
12 Q What was your relationship to that
13 entity, if any?
14 A My brother owned an entity called
15 Matthews Commercial.
16 Q Did you have any dealings with that
17 entity, business dealings with that entity or any
18 role at this entity?
19 A He could've bought a building from me
20 ten years ago and used that entity, but other than
21 that, I can't think of anything.
22 Q So your brother owned and controlled
23 that entity?
24 A Yes.
25 Q Did it have any relationship to the Palm

Page 48

1 Before the Palm House project, had you
2 ever done business with Frank Orenstein before?
3 THE WITNESS: Yes. Yes.
4 BY MS. SPRINGER-CHARLES:
5 Q Okay.
6 A Yes. Yes. He was the one that -- that
7 found Hyatt Regency Bonaventure in Weston,
8 Florida. That's where I met him.
9 Q Okay.
10 And tell me about that project.
11 A That was a project -- after I blew up in
12 '08, that was the first project that I came up
13 with to get me back on my feet with my wife. It
14 was five hundred and one rooms in Weston, Florida.
15 It was in a foreclosure. And Glenn Straub asked
16 me to look at it him for.
17 So I went and looked at it for him. And
18 I don't remember the numbers. I think they were
19 asking like eleven million dollars. And I told
20 Glenn I thought it was one of the best deals I'd
21 ever seen. And he said that he wanted to figure a
22 way how to hurt Frank and not pay his million
23 dollar fee. And I said he had a non-circumvent.
24 You can't go around him. You should just pay him
25 his fee. It's a great deal. And he didn't.

Page 47

1 House Hotel?
2 A No.
3 Q What is Hospitality Investors Group,
4 LLC?
5 A As I said before, one of them is an
6 entity that Frank Orenstein and I set up to do new
7 deals, and one of them is Frank Orenstein's
8 entity. I don't -- I don't remember which one's
9 which. One was investments and one was -- there's
10 two of the names that sound the same. I'm not
11 sure which is which.
12 Q Who's Frank Orenstein?
13 A Frank Orenstein owned a company called
14 Hospitality something, something, and he was the
15 guy that I hired to get appraisals on the Palm
16 House. He was a hotel consultant. He got the
17 numbers for what the average daily rates would be
18 and what the occupancy would be. And he helped me
19 find a design firm. He was a consultant who
20 helped me with the hotel.
21 Q Did you have other business dealings
22 with Frank and either of those entities separate
23 and apart from the hotel?
24 MR. REINHART: If I can break the
25 question in half, maybe this will make it easier.

Page 49

1 And I went to Frank, and I got it under
2 agreement and borrowed money and got a closing in
3 thirty days and ended up on the thirtieth day
4 selling it and keeping a residual interest of
5 eighteen percent and flipped it and made some
6 amount of money. I don't know. Between two and
7 four million dollars maybe.
8 Q Do you have any interest in that hotel
9 today?
10 A No. Then, subsequently, they bought out
11 the eighteen percent a couple of years ago. I'm
12 not sure. It could've been '15. It could've been
13 '16. It could've been '14. So that's how I
14 met Frank.
15 MR. REINHART: And to help her out, what
16 was the entity that you formed to hold the --
17 THE WITNESS: Bonaventure -- Bonaventure
18 22.
19 BY MS. SPRINGER-CHARLES:
20 Q And you owned and controlled that
21 entity?
22 A No. It was my wife's entity, but I --
23 you know, I ran with it.
24 Q Were you the person who really
25 controlled that entity even though it was in your

13 (Pages 46 to 49)

SEC_000641

Page 50

1 wife's name legally?
 2 A Yeah.
 3 Q Okay.
 4 A I would say so.
 5 Q What was your wife's role at that
 6 entity?
 7 A Well, she --
 8 Q Other than being the owner on the legal
 9 documents, but what did she actually do for that
 10 entity?
 11 A Well, my wife helped me a lot with the
 12 design. She has a very good, you know, fashion
 13 look, as with the hotel. And we were looking at
 14 bringing in at the time The Biggest Loser. You
 15 know the TV show, The Biggest Loser? We were
 16 going to sublet a big chunk of the space out to
 17 them. Originally, that was the plan.
 18 So she knew the deal. She didn't know
 19 the numbers as much. It was losing a lot of
 20 money, the hotel. So that's it. She was going to
 21 help with the design. That's it.
 22 Q How much money did you make when you
 23 sold your eighteen percent interest in the hotel?
 24 A I don't remember, but I think maybe a
 25 million. It could've been less; it could've been

Page 52

1 House Hotel? You touched on it. You talked about
 2 getting appraisals done. What else did he do?
 3 A Well, he got -- he helped me with
 4 everything with the hotel. He got the appraisals
 5 done. He -- his company ran the numbers for what
 6 the projections would look like at the hotel, the
 7 occupancies, the average daily rates. He worked
 8 tirelessly with me to get financing. We met with
 9 lots of people.
 10 Oh, he introduced me to Le Cirque to do
 11 the Le Cirque brasserie in the hotel. And he
 12 negotiated that deal. Just a lot of things, a lot
 13 of different things.
 14 Q How was he compensated for doing these
 15 things?
 16 A I wrote a check to him.
 17 Q Well, was there an agreement as to
 18 how --
 19 A I think he would just -- he would just
 20 bill me. Like I just recently saw a bill from him
 21 for twelve five. I was going through old emails,
 22 and it was for doing, you know, some of the things
 23 I just said, you know.
 24 MR. REINHART: But I think her question
 25 was: Was there any sort of a written agreement

Page 51

1 more, but somewhere around there.
 2 Q And did that money go directly into
 3 Bonaventure 22?
 4 A It could've gone through my lawyer's
 5 account and then to Bonaventure. I don't know the
 6 ultimate path.
 7 Q But, ultimately, it went into
 8 Bonaventure's account?
 9 A I'd have to look. I think so. It's
 10 logical, but I don't know for a fact.
 11 Q What's the status of Bonaventure 22
 12 today?
 13 A It's just an account that has eleven
 14 dollars in it right now. And it's in -- it's at
 15 IberiaBank, and we use it to pay utility bills,
 16 electric, gas, water, that kind of thing.
 17 Q For your home?
 18 A Yes.
 19 Q Other than that deal, had you done any
 20 other deals with Frank Orenstein prior to the Palm
 21 House Hotel?
 22 A No.
 23 Q And so once you acquired the Palm
 24 House -- I guess how did you form -- what did
 25 Frank Orenstein specifically do once you had Palm

Page 53

1 that specified what his fees would be?
 2 THE WITNESS: No, I don't think so. I
 3 mean, there could be an email. I don't know. I
 4 don't believe -- I don't remember one. It was
 5 more of a -- you know, his wife had cancer who
 6 died, and I think I lent him some money at one
 7 point to help him out. So I don't -- I don't
 8 think we had a specific --
 9 BY MS. SPRINGER-CHARLES:
 10 Q When did you lend him money?
 11 A Oh, I don't know. During of course of
 12 this.
 13 Q Of the time that he was doing work with
 14 you on the Palm House?
 15 A Yeah.
 16 Q Okay.
 17 Where'd the money come from to lend him?
 18 A Well, I don't -- I don't remember. It
 19 could've been, you know, an advance on some of the
 20 work. It could've been a personal loan. I don't
 21 remember.
 22 Q Did you document that?
 23 A No. And I may not have lent him money
 24 just for the record. I just remember trying to
 25 help the guy out because his wife had cancer and

Page 54

1 working with him.

2 **Q Did you work on any other deals**
3 **subsequent to the Palm House deal with Frank, or**
4 **concurrently, concurrently or subsequently?**

5 A Yes, concurrently.

6 **Q What other deal?**

7 A Oh, a lot of deals. We tried to buy the
8 Conrad Hilton in Ft. Lauderdale. We worked The
9 Biggest Loser deal with looking at other places to
10 go with that. A lot of different -- a deal in New
11 York City, Ganesvort in New York City.

12 MR. REINHART: Can you spell that for
13 the Court Reporter.

14 THE WITNESS: G-A-N-E-S-V-O-R-T.

15 A lot of different deals.

16 BY MS. SPRINGER-CHARLES:

17 **Q When you compensated him for his work,**
18 **did you make a distinction about whether that**
19 **compensation was for work on Palm House versus any**
20 **of the other deals that he's concurrently working**
21 **on?**

22 A Well, the other deals, we were working
23 together trying to acquire them. So he didn't get
24 paid fees for that?

25 **Q He didn't get paid for that?**

Page 55

1 A No. No.

2 **Q He only got paid -- for any time he got**
3 **paid it was for work associated with the Palm**
4 **House?**

5 A Yes. Yes.

6 **Q Between the time that, you know, Palm**
7 **House acquired -- well, you acquired the hotel and**
8 **the time the receiver came in --**

9 A Yes.

10 **Q -- those fees were all related to work**
11 **on Palm House?**

12 A Yes. He could've done some work on --
13 any work he did on other things, we were trying to
14 do together, to buy a deal and do it to go.

15 MR. REINHART: Can I ask a quick
16 question?

17 On those other deals, was there ever any
18 revenue generated? Did he have extra money or
19 different money for the work he did on the other
20 deals?

21 THE WITNESS: If we bought a deal, we
22 would've done something together, he was going to
23 be an owner, so he wasn't going to get paid.

24 BY MS. SPRINGER-CHARLES:

25 **Q But he was not going to be an owner of**

Page 56

1 **Palm House?**

2 A No.

3 **Q I don't know if I asked this, and**
4 **forgive me if I have already asked this, did**
5 **Bonaventure otherwise -- did it have any**
6 **relationship to Palm House at all, Bonaventure 22,**
7 **the entity?**

8 A The only relationship it had is when I
9 took my developer fee of, I believe a million one,
10 half of the two two, I think I put -- I think one
11 of the checks went in there for that. It could've
12 had other checks, too. I mean --

13 **Q So at one point, you took your developer**
14 **fee of one point one million dollars and you**
15 **transferred it into Bonaventure 22's bank account;**
16 **is that correct?**

17 A Yes. Yes.

18 **Q Where did you take that one point one**
19 **million dollar developer fee from?**

20 A It either would've come from the
21 checking account or it would've come from Les
22 Evans's account.

23 **Q 160 Royal Palm's checking account?**

24 A Yes.

25 **Q Okay. And we'll talk about it. I think**

Page 57

1 **later we'll get into that some more.**

2 **What is Mirabia?**

3 A Mirabia was Miranda and Bianca. It was
4 an LLC. That was set up, gosh, a long time ago.
5 And I think it's a Delaware LLC. And we ended up
6 using it as a -- the LLC to acquire the land
7 behind the Palm House.

8 **Q Did you own and control that LLC?**

9 A Well, I don't think I legally owned it.
10 I don't think I had anything on my name, but that
11 was my wife's LLC.

12 **Q But did you control it?**

13 A Yes.

14 **Q And its only relationship to the hotel**
15 **was that it was -- it acquired that land behind**
16 **the hotel?**

17 A True.

18 **Q And what was that land supposed to be**
19 **used for?**

20 A It was -- the land behind the hotel was
21 what Joe Walsh called Palm House Residences, and
22 Joe directed me to buy the land behind the hotel
23 to -- he was going to do a separate deal and raise
24 money. I don't remember how much. Maybe thirty
25 or forty million dollars. It's in my email, so it

15 (Pages 54 to 57)

SEC_000643

Page 58

1 would say it. And that was going to be a separate
2 deal. He was trying to use it through private
3 investors. I think if he didn't do it through
4 private investors, he was going to try to do an
5 EB-5 deal on it.

6 MR. REINHART: What was the Palm House
7 Residences going to be? I think is her question.

8 THE WITNESS: It was going to be a for
9 sale unit product contiguous of the Palm House. It
10 was put in a different name so that we wouldn't
11 have what's called unity of title.

12 BY MS. SPRINGER-CHARLES:

13 **Q If you can explain?**

14 A Well, if you have two pieces of property
15 and you put it in the same name, it's the same
16 title, and so this open space would mess up with
17 this open space.

18 MR. REINHART: Hold on. Hold on. The
19 Court Reporter is trying to take this down, so you
20 need to make sure this is clear on the record.

21 So you're showing two different pieces
22 of paper that you configured to look like two
23 parcels of land next to each other, right?

24 THE WITNESS: Yes. If the land's
25 contiguous and you put it under the same

Page 60

1 one?

2 THE WITNESS: You could, but it's very
3 similar to the boat transaction where if you have
4 the boat owned by the LLC, 160, and you had debt
5 on the boat, then if 160 signed on that debt, then
6 the owner of the boat, say, you were the owner of
7 the boat and you took back paper, then that
8 liability would be on this hotel, and you'd never
9 want to do that. You'd always want to separate
10 your liability to be on the individual --

11 MR. BUSTO: But couldn't a subsidiary
12 have the debt kept within the subsidiary of the
13 parent company?

14 THE WITNESS: I image -- I guess it
15 could've. I don't -- I never thought of it, but I
16 guess. I don't know what you mean by subsidiary,
17 though. Do you mean the LLC owns another LLC?

18 MR. BUSTO: Correct. I mean, you know,
19 you have a parent company. You have a subsidiary.
20 They can own things separately without -- you
21 know, without having unity of title.

22 THE WITNESS: Yeah. I always thought of
23 it as Mirabia as one hundred percent set up for
24 Joe to do either an investment or to do an EB-5
25 program.

Page 59

1 ownership, it's called unity of title, and it
2 could hurt you when you went to the get the
3 approvals on the second piece of land.

4 BY MS. SPRINGER-CHARLES:

5 **Q How so?**

6 A Well, because of the calculations -- all
7 of these calculations on the first piece of land,
8 you have certain things with density and levels
9 and how much open space you have, and if you put
10 them together before you get these approvals, all
11 of a sudden this open space, say, is seventeen
12 percent, all of a sudden the open space goes to
13 sixty percent. Then you have to go back in. You
14 have to ask for variances. So you would never
15 want to put it in the same name until after you
16 were done at that point.

17 **Q But Joe Walsh intended to raise the
18 funds for the purchase of that property either
19 through a separate EB-5 offering or from private
20 investments; is that correct?**

21 A Yeah. I believe the emails that I saw,
22 he was trying to do it through private individuals
23 to raise money.

24 MR. BUSTO: Couldn't he own those two
25 pieces of land in the name of a subsidiary of the

Page 61

1 MR. REINHART: Can he clarify one prior
2 answer?

3 MS. SPRINGER-CHARLES: Sure.

4 THE WITNESS: Once the land was
5 acquired, Joe was looking into doing an EB-5
6 project as a separate thing, I believe, or as an
7 investment, just to be clear. I'm not really sure
8 how he was going to do. I don't really know.

9 MR. BUSTO: Why didn't Walsh just buy
10 the property himself if it was for him?

11 THE WITNESS: Why wouldn't Joe buy the
12 property himself?

13 MR. BUSTO: Yeah. Well, why did he tell
14 you to buy the property? Why isn't he buying the
15 property directly?

16 THE WITNESS: Because Joe wouldn't know
17 how to develop a property no matter what. Because
18 he wanted me to do it because he knew my
19 expertise. I would go in. I'd get the approvals.
20 We drew up plans on the property. We did huge
21 studies. Joe would never know how to do that. I
22 mean, I think Joe totally trusted me that I would
23 not go take Joe's money and not do what he asked
24 me to do with it. It wasn't a question.

25 BY MS. SPRINGER-CHARLES:

Page 62

1 **Q Why wouldn't you wait until he had**
 2 **raised the funds either privately or from a second**
 3 **EB-5 offering in order to acquire the piece of**
 4 **land?**

5 A It was already under agreement to be
 6 sold to somebody else. I had to work really hard
 7 to get that property back. And so the timing
 8 was -- you know, he told me, buy the land, I'll
 9 get the money, and I trusted him to get the money.

10 **Q I don't I saw an emails or any other**
 11 **documentation where I saw Joe directing you to**
 12 **purchase the land. Do you have any such**
 13 **documentation, emails, or letters, or**
 14 **correspondence?**

15 A Well, I saw layouts of Palm House
 16 Residence and brochures up until -- on his website
 17 up until a year ago. So whether he told me by
 18 email or verbally, and then he sent me what the
 19 numbers looked like, that's what he wanted me to
 20 do. There's no question.

21 MR. GALDENCIO: Can I clarify, what was
 22 the source of the funds used to buy that property?

23 THE WITNESS: There was, I believe, a
 24 million dollars that was either his personal
 25 money -- I mean, in retrospect looking back I know

Page 64

1 we'll get into the details of the transaction
 2 later just to make sure we're clear about the
 3 source of the funds and the loan that was taken
 4 out and such.

5 A Okay.

6 **Q There's several entities that I'd like**
 7 **to talk about that are in Connecticut. There's a**
 8 **property located at 718 North Colony Road in**
 9 **Wallingford, Connecticut?**

10 A Yes.

11 **Q What is that property? What's located**
 12 **at that address?**

13 A That was a warehouse that I once owned
 14 that we were trying to buy back.

15 **Q What is the Wallingford Business Park?**

16 A It's the same thing.

17 **Q The same thing?**

18 A Yeah.

19 **Q What is First Wallingford Capital**
 20 **Corporation?**

21 A I believe that was the entity that I
 22 owned that either did a friendly foreclosure or a
 23 deed in lieu several years ago.

24 **Q What is Wallingford Naugatuck,**
 25 **N-A-U-G-A-T-U-C-K, LLC?**

Page 63

1 things I didn't know then. So was it his personal
 2 money? I don't know. But in the beginning when
 3 he set up his account, supposedly he had his
 4 personal money and he had EB-5 money in it. And
 5 then the rest of the money came from a note from
 6 an investor of Craig Galle knew, and they set up a
 7 company called -- something that begins with M
 8 Dichi or Madona or something LLC, and he lent the
 9 money for the balance.

10 MR. GALDENCIO: How were the funds
 11 transferred to you?

12 THE WITNESS: How were the funds
 13 transferred -- they weren't transferred to me.

14 MR. REINHART: The funds to purchase?

15 MR. GALDENCIO: How was the purchase
 16 money acquired by you or by your entities?

17 THE WITNESS: The money to go to the
 18 seller of the property?

19 MR. GALDENCIO: Yes.

20 THE WITNESS: Yeah. It would've come
 21 through Les's account. It could've been a check,
 22 too. Sorry. It could've been Les's account or a
 23 check.

24 BY MS. SPRINGER-CHARLES:

25 **Q We'll talk more about it later, but**

Page 65

1 A I think that was the entity that was set
 2 up to try and buy it back.

3 **Q Okay.**

4 **And then there's the flip entity that**
 5 **says Naugatuck Wallingford, LLC?**

6 A Then I'm not sure.

7 **Q Okay.**

8 A One of them was the entity that tried to
 9 buy it back.

10 **Q What about First Hartford Capital**
 11 **Corporation?**

12 A That was an entity that owned a piece of
 13 land in Connecticut with my manufacturing company
 14 where I used to make Cross pens on.

15 **Q Were any of these entities that I just**
 16 **mentioned associated with the Palm House Hotel?**

17 A No.

18 **Q What is Bull Bag?**

19 A It's an entity that -- it's a business
 20 that sets up bags instead of having dumpsters, and
 21 you put the rubbish in it, and you sell them. I
 22 believe my wife has like a five or six or seven
 23 percent interest in it. It's never made any
 24 money.

25 **Q Did you actually control -- was it your**

Page 66

1 wife or you?

2 A No. That was for my wife and kids. That
3 was always for them.

4 Q Okay.

5 But you controlled the business that was
6 related to that ownership interest?

7 A Yeah. I mean, I didn't control
8 anything. The guy that owns the company
9 controlled it.

10 Q No. Were you the person that spoke for
11 that membership --

12 A Sure.

13 Q -- although legally it was in her name,
14 was it you?

15 A Sure.

16 Q Okay.

17 MR. REINHART: Let her finish her
18 question before you answer.

19 BY MS. SPRINGER-CHARLES:

20 Q Did that entity have anything to do with
21 the hotel project?

22 A No. I think that was Mirabia with a
23 Connecticut, LLC, not Mirabia with a Delaware LLC.

24 Q Bull Bag, that's what we're talking
25 about.

Page 68

1 Q Was it in conjunction with acquiring
2 financing for the hotel to acquire the hotel?

3 A Yes. I met him with Mark Payne through
4 another guy from Delray, and they were originally
5 going to try to the raise sixty-two million plus
6 for the hotel.

7 Q Who's Jeff Perlman?

8 A Jeff Perlman's the guy that used to -- I
9 think he's the one that was the Mayor of Delray
10 Beach that introduced me to Joe Walsh.

11 Q Who's Daniel Gorman?

12 A With their sidekicks Daniel Gorman and
13 Weston Spicer.

14 Q That was my next question. Okay.

15 So the three of them were the ones
16 that -- Perlman, Gorman, and Spicer who introduced
17 you to Joe Walsh and Mark Payne?

18 A Yes.

19 Q Okay.

20 MS. SPRINGER-CHARLES: I'll ask the
21 Court Reporter to mark a copy of this August 30th,
22 2012 email from Weston Spicer to -- I believe to
23 you, Mr. Matthews, and its attachment, as well as
24 a September 10th, 2012 email from DW Gorman to
25 you, Mr. Matthews, as Exhibit No. 151.

Page 67

1 A Yeah. The entity that owned the seven
2 percent or five percent, I believe was Mirabia. I
3 don't remember, but I think it was a Connecticut
4 LLC from ten or fifteen years ago.

5 Q But this has nothing to do with the
6 hotel?

7 A No.

8 Q What is Botticelli Advisors, LLC?

9 A I don't know. I don't know. I think it
10 was an entity that Craig Galle set up, and I was
11 trying to figure out -- I was trying to figure out
12 why -- it might have been used to buy some of the
13 liens on the project in Nantucket. I really don't
14 remember.

15 Q Let's talk now about the Palm House
16 Hotel, LLLP and Joe Walsh. I'm going to use Joe
17 Walsh for Joe Walsh, Sr. If I want to make a
18 distinction with his son, I'll say Joe Walsh, Jr.

19 A Okay.

20 Q So every time I say Joe Walsh, I'm
21 speaking about Joe Walsh, Sr. to make the record
22 clear.

23 When did you first meet Joe Walsh?

24 A I don't know the year. Maybe five or
25 six years ago.

Page 69

1 (SEC Exhibit No. 151 was
2 marked for identification.)

3 BY MS. SPRINGER-CHARLES:

4 Q Mr. Matthews, I'm showing you what's
5 been marked as Exhibit 151.

6 My first question is: Did you receive
7 these emails?

8 A Yes.

9 Q Did you ever execute the agreements
10 attached to these -- well, to the first email?

11 A I don't know. Oh, no, I never signed
12 this. Is this a commission agreement? Yeah. No,
13 I never signed this.

14 Q Did you agree verbally to pay Weston
15 Spicer, Dan Gorman, you know, in accordance with
16 the terms that are in this agreement?

17 A No.

18 Q At some point that relationship with
19 Gorman and Spicer went south, correct?

20 A Yes.

21 Q And why was that?

22 A I believe it had to do with the fact
23 that they were trying to blackmail us.

24 Q Well, what were they supposed to get out
25 of, you know, bringing Payne and Walsh to the

Page 70

1 **table to help you with financing, like what were**
2 **they going to get out of it?**

3 A Well, originally, we talked about how
4 karma plays a big role, and if you help me out,
5 down the road I'll help you out. At one point, I
6 think I was -- depending when the project was
7 over, I was going to give them some kind of
8 finder's fee. We never really decided what it was
9 going to be.

10 **Q I'm showing you what's been previously**
11 **introduced as Exhibit No. 77. It's a composite**
12 **email -- a composite exhibit of emails related to,**
13 **I think, you know, the relationship between**
14 **yourself and Gorman and Spicer, as well as Joe**
15 **Walsh and Mark Payne. If you just take a look**
16 **through this. Ultimately, it looks like Joe**
17 **Walsh -- one of Joe Walsh's companies loaned you**
18 **fifty thousand dollars to be able to pay Gorman**
19 **and Spicer. Please let me know if that's true.**

20 A Yeah. I don't know if it was a loan as
21 much as I thought Joe was paying them the money
22 to -- oh, yes, I remember. He said it was a loan.
23 I remember him saying it was a loan, and I
24 remember thinking that he never agreed to lend me
25 the money. He was just doing it.

Page 72

1 I mean, in my eyes, I didn't owe them money. And
2 he was -- in fact, I negotiated for this deal to
3 get it done for, I believe, thirty or thirty-five
4 thousand, and Joe told Mr. Perlman, oh, I'll give
5 you fifty thousand dollars. So in my mind, there
6 was no way I was going to borrow money to pay more
7 than what I already had negotiated the deal for.

8 **Q In these emails, there is -- let's see.**

9 **Let's just look at the first page, for example,**
10 **the first email, 1/7/2013. It's from Mark Payne**
11 **to Joe and yourself, correct? Do you see that?**
12 **The first page. Do you see that email?**

13 A Yes.

14 **Q And so you received this email, correct?**

15 A Yes.

16 **Q The second paragraph says, "How do you**
17 **want to play this on the money transfer? It could**
18 **go to Bob's lawyer account, and then it keeps**
19 **USREDA away from the money trail. It would be as**
20 **if the money went to Gorman from Bob's lawyer's**
21 **escrow, which I think probably is the best way to**
22 **go."**

23 **Do you know why Mark Payne was**
24 **suggesting that the transaction be structured this**
25 **way?**

Page 71

1 **Q But it does say in there that's it a**
2 **loan, correct?**

3 A I do see what it says, yes.

4 **Q Okay.**

5 **What did you think, although it says**
6 **this is a loan to Bob Matthews --**

7 A I thought that Joe and Marcus were
8 trying to get rid of these two gentlemen because
9 they wouldn't -- they kept threatening suits and
10 harassment, and I think they thought it was
11 cheaper just to give them money instead of
12 fighting them. They didn't have anything in
13 writing. They just -- I think after they asked
14 for this, they asked for more. It never really
15 finished.

16 **Q So -- I mean, the email, the 1/7/2013**
17 **email in Exhibit No -- I think it's Exhibit No.**
18 **77, it says, "Tony," and this is Joe Walsh**
19 **speaking. I think you're on the email. It says,**
20 **"This is a loan to Bob Matthews and will be taken**
21 **out of the proceeds of the Palm House eventually."**

22 **Did you tell Bob that -- I mean, did you**
23 **discuss with Joe whether or not that was going to**
24 **be the case?**

25 A No. I never -- I never argued with him.

Page 73

1 A I have no idea why.

2 MR. BUSTO: I have to step out for a
3 phone call.

4 (Mr. Busto exits the room.)

5 BY MS. SPRINGER-CHARLES:

6 **Q Do you know where the fifty thousand**
7 **dollars was coming from? Do you know whose money**
8 **it was?**

9 A I don't know where it was. I thought it
10 was Joe's money.

11 **Q Personal money or EB-5 money?**

12 A I don't know. I never really -- today,
13 I don't think it was personal money. Then I
14 didn't know what it was.

15 **Q Okay.**

16 MS. SPRINGER-CHARLES: I'll ask the
17 Court Reporter to mark --

18 BY MS. SPRINGER-CHARLES:

19 **Q Before I go on, did you receive that**
20 **fifty thousand dollars from Joe Walsh?**

21 A No, I don't believe I ever did. I
22 believe it went directly to -- I think Mark maybe
23 be played as the escrow agent. He got the
24 releases and then transferred it over.

25 MS. SPRINGER-CHARLES: I'll ask the

Page 74

1 Court Reporter to mark a copy of this email, dated
 2 1/8/2013 from Daniel Gorman to, I believe, you,
 3 Mr. Matthews, as Exhibit No. 152.
 4 (SEC Exhibit No. 152 was
 5 marked for identification.)
 6 MR. REINHART: Is this the original on
 7 77?
 8 MS. SPRINGER-CHARLES: No. It's a copy.
 9 BY MS. SPRINGER-CHARLES:
 10 **Q I'm showing you what's been marked as**
 11 **Exhibit No. 152, Mr. Matthews.**
 12 **Did you receive this email from Daniel**
 13 **Gorman?**
 14 A Yes.
 15 **Q Okay.**
 16 **Did you -- I can tell you, based on our**
 17 **records, it looks like -- I'm not sure exactly if**
 18 **the fifty thousand was transferred or not. I**
 19 **think it may have been transferred.**
 20 **Did you hold back certain funds as**
 21 **repayment of the loan?**
 22 A No, but the deal that I made for the
 23 thirty or thirty-five thousand, I don't remember
 24 which, is that he would pay back the loan. He
 25 still owns, I think, Bonaventure, my wife, he paid

Page 76

1 Tony probably sent it.
 2 **Q But -- well, who would have been holding**
 3 **back the thirteen five hundred to repay the money**
 4 **owed to you, Tony?**
 5 A No. No. No. Dan made a deal as a
 6 gentleman, Bob, if I get this money, I'll pay your
 7 wife back part of the money we owe. So I think it
 8 might have been twenty-six -- I think he gave me
 9 back half the money he owed back.
 10 **Q So you believe that the fifty thousand**
 11 **dollars was wired directly?**
 12 A I don't know. I know he got fifty. I
 13 don't know where it came from, but I know he got
 14 thousand dollars. Yes, that I know. And I know
 15 he paid back thirteen five on the loan and still
 16 owes more.
 17 MS. SPRINGER-CHARLES: I'll ask the
 18 Court Reporter to mark a copy of this composite
 19 exhibit. It's August 2014 email, it's documents,
 20 I think, related to a loan to Dan Gorman that went
 21 through HIG as Exhibit No. 153.
 22 (SEC Exhibit No. 153 was
 23 marked for identification.)
 24 BY MS. SPRINGER-CHARLES:
 25 **Q Mr. Matthews, I'm showing you what's**

Page 75

1 thirteen five. I think we lent him like
 2 twenty-five or thirty just to help him out. So
 3 that was part of a loan payback that he never
 4 paid. He never paid it off.
 5 **Q I don't think I'm following.**
 6 A So Dan Gorman would hound you for money
 7 all the time. So I lent him money. I don't how
 8 much, but say thirty-five thousand, forty thousand
 9 dollars, and as part of doing the deal that we
 10 negotiated for the thirty or thirty-five thousand
 11 that I negotiated that Joe upped to fifty, I said
 12 you have to pay my wife back part of the money you
 13 owe me. He said, okay, I'll pay you back the
 14 thirteen five of the money. You're getting a
 15 check for fifty thousand dollars. You have this
 16 loan over here. Hey, Dan, you have to make good
 17 on the loan. That's what that was.
 18 **Q So was thirty-six thousand, five hundred**
 19 **dollars wired to Dan Gorman?**
 20 A I don't know.
 21 **Q At or about this time?**
 22 A Yeah. I don't know.
 23 **Q Where did the money come from?**
 24 A I don't know. I have no idea. I
 25 believe Tony -- if there was an email to Tony,

Page 77

1 **been marked as Exhibit No. 153.**
 2 **If we look at the first page, Jade Yu**
 3 **sends you an email, correct? Am I correct?**
 4 A Yes. I'm just reading it. Yes.
 5 **Q Did you -- this is completely separate**
 6 **and apart from what we were talking about earlier?**
 7 A Yes. Yes.
 8 **Q Okay.**
 9 **And so did you lend Dan Gorman five**
 10 **thousand dollars?**
 11 A Yes.
 12 **Q Okay.**
 13 A Well, I don't know if I did. I might've
 14 lent it to Frank. I don't remember.
 15 **Q Did you direct Jade to wire Frank five**
 16 **thousand -- wire HIG five thousand dollars --**
 17 A Yes. Yes.
 18 **Q -- in order to make a loan to Gorman and**
 19 **his company Hummingbird, I believe? Because if we**
 20 **looked at the document attached --**
 21 A Yes.
 22 **Q Yes?**
 23 A Yes.
 24 **Q Okay.**
 25 **Did this have anything to do with the**

Page 78

1 **hotel project?**

2 A I would say -- unless I'm paying Frank
3 money towards whatever money I owe him, I would
4 say no.

5 **Q And you can take a look at these emails**
6 **to see if there's any discussion about paying**
7 **Frank. I don't think I noticed it.**

8 MR. REINHART: Take a second to look at
9 the whole packet, and see if it refreshes your
10 memory of what the transaction was. And then
11 answer Ms. Springer's question, whether this has
12 anything to do with the hotel?

13 THE WITNESS: I mean, the answer is as
14 follows: It has something do with the hotel in
15 the sense that this guy wouldn't quit. He would
16 keep coming back, and we were trying to,
17 basically, give him money, so he wouldn't do new
18 lawsuits. And so it was like get rid of Danny,
19 like, please, get rid of Danny. That's what this
20 was about.

21 BY MS. SPRINGER-CHARLES:

22 **Q But this was a loan? You didn't give**
23 **him any money, correct?**

24 MR. REINHART: Go back a second. There's
25 a ground lease attached to this for a Hummingbird

Page 80

1 BY MS. SPRINGER-CHARLES:

2 **Q I'm showing you what's been marked as**
3 **Exhibit No. 154, Mr. Matthews. Look through the**
4 **packet, and tell me did you send or receive these**
5 **emails, and then tell me what this is about.**

6 A It looks like another mutual release to
7 our friend Dan.

8 **Q Okay.**

9 **Did you pay this seventy-five hundred**
10 **dollars?**

11 A Probably. Was it signed?

12 **Q That's my next question. Did you**
13 **execute this document, and did you pay?**

14 A I don't know. If I were to guess with
15 the memory thing that I probably paid it. It was
16 another attempt to -- because he -- I believe he
17 said, oh, the first release wasn't valid because
18 it didn't have enough, so it was just another
19 attempt.

20 **Q And this was related to the**
21 **relationship, the Palm House relationship,**
22 **correct?**

23 A Yes.

24 **Q Okay.**

25 **The last thing I want to introduce on**

Page 79

1 project. There's also a reference in the email to
2 an address on Lucerne Avenue in Lake Worth.

3 THE WITNESS: Right. Frank was trying
4 to help him get financing.

5 MR. REINHART: Explain. Explain the
6 transaction in full --

7 THE WITNESS: Frank was trying to help
8 him get financing, but in my mind, it was still
9 Danny looking for money.

10 BY MS. SPRINGER-CHARLES:

11 **Q But none of this was related to the Palm**
12 **House Hotel?**

13 A Only in the sense that it was cheaper to
14 give him five grand to go away, because he was
15 always threatening you with a legal for years,
16 texts, unbelievable, threats.

17 MS. SPRINGER-CHARLES: I'll ask the
18 Court Reporter to mark a copy of this 9/13/2014
19 email from Robert Matthews to Jade Yu. It's a
20 composite exhibit. There's several documents on
21 September -- several emails and attached
22 documents, dated September 13th, 2014 and
23 September 15th, 2014 as Exhibit No. 154.

24 (SEC Exhibit No. 154 was
25 marked for identification.)

Page 81

1 **this particular topic is this document -- this**
2 **email, dated 5/13/2015. It's from D. Gorman to**
3 **you, Mr. Matthews. And it attaches a filed -- a**
4 **copy of an MOU.**

5 (SEC Exhibit No. 155 was
6 marked for identification.)

7 BY MS. SPRINGER-CHARLES:

8 **Q Mr. Matthews, I'm showing you what's**
9 **been marked as Exhibit 155.**

10 **Can you tell me what this is about?**

11 A Oh, this is -- this is Dan further
12 extortion. This is Dan saying that he filed a
13 thing on the land records. So he put in an
14 unsigned MOU on the land records to try to hurt
15 me.

16 **Q What's the status of this relationship**
17 **with Dan?**

18 A About -- about eight months ago after
19 literally thousands of text messages, I called him
20 up and I told him that if he doesn't stop trying
21 to extort him, I'm just going to go the FBI and
22 that I'm not going to take it anymore. I've had
23 it. You can't keep doing this. And he finally
24 stopped texting me. I paid him more money out of
25 personal money to leave me alone, and so finally

21 (Pages 78 to 81)

SEC_000649

Page 82

1 he stopped.

2 **Q In the Memorandum of Understanding**
 3 **agreement here, he says -- well, it says, "Daniel**
 4 **Gorman reached an agreement in writing with Robert**
 5 **Matthews, et al. in 2013 to help raise money for**
 6 **him to repurchase the Palm House Hotel in Palm**
 7 **Beach, Florida through the Southeast Regional**
 8 **Office of the EB-5 program with Joseph Walsh and**
 9 **Marcus Payne."**

10 **I'll ask again, was there any written**
 11 **agreement between --**

12 **A Absolutely not.**

13 **Q -- between either you, Mr. Gorman, Mr.**
 14 **Spicer, or Mr. Perlman, and/or Mr. Walsh, and Mr.**
 15 **Payne?**

16 **A Oh, I don't know what Mr. Walsh signed.**

17 **Q Okay.**

18 **A I can tell you I never signed anything.**

19 **Q Okay.**

20 **Did you primarily interact with Mr.**
 21 **Payne, you know, when it came to dealing with Palm**
 22 **House Hotel, LLLP?**

23 **A For some issues. Mark was the sane one.**
 24 **So for some issues, yes.**

25 **Q Just tell me how the relationship worked**

Page 84

1 grand at one point. I paid him back. We never
 2 had anything in writing. He was like a handshake
 3 guy. He endeared himself with a family. You
 4 know, he bought by daughter a camera once and -- I
 5 don't know. I think he forgot to buy the other
 6 daughter something. I said you can't give one
 7 daughter something and not the other. That's not
 8 good. I ended up paying him back for the camera.

9 **Q Why did you pay him back for the camera?**

10 **A Because after he did it, then he said,**
 11 **oh, well, you know, you never paid me for the**
 12 **camera. I said, Joe, I thought you -- okay, fine,**
 13 **I'll pay you for the camera. He just was -- he**
 14 **was a very strange person, a very strange person.**
 15 **He felt like he was God. He's in charge.**

16 **And Mark helped with the relationship in**
 17 **the sense that Mark was just like a regular guy. I**
 18 **mean, I would have a cigar every once in a while**
 19 **with Mark, and, you know, he just -- where Joe was**
 20 **just off spending money and buying cars and**
 21 **Winnebagos. You know, he was just doing all this**
 22 **crazy stuff, you know. And he wasn't nice to**
 23 **women. He didn't treat my wife very well a couple**
 24 **of times. Just really not nice with women, and it**
 25 **upset me. That's a general outline.**

Page 83

1 **between you and Mr. Walsh versus you and Mr.**
 2 **Payne, like what issues did you discuss with Mr.**
 3 **Payne versus Mr. Walsh? How did things work?**

4 **A Well, when I met all these guys in my**
 5 **living room, Dan and Weston and all these guys**
 6 **originally, Mark was the only one that I, more or**
 7 **less, trusted. He seemed straight. He took**
 8 **notes, copious notes, and he seemed very**
 9 **organized. And we became friends. Joe was a**
 10 **complete control freak, and I think he has some**
 11 **issues. I think he's got some serious issues.**

12 **So if it had do with money for the Palm**
 13 **House, we used to have to beg Joe to send money to**
 14 **the hotel and -- and I would ask Mark, hey, Mark,**
 15 **you know, what's going on? And then I would find**
 16 **out through Tony Reitz, his CFO, that Joe would**
 17 **say, Oh, you know, I don't have any money to send**
 18 **when, in fact, we knew that he really did have**
 19 **money to send.**

20 **But I would say it was a friendly**
 21 **relationship. Joe was -- he became a friend. I**
 22 **did a birthday party for him. He stayed at the**
 23 **house a lot of times. And in the beginning, I**
 24 **truly thought he was a lifeline and a friend. I**
 25 **borrowed money from him. I borrowed three hundred**

Page 85

1 **Q I mean, I planned to get into it later,**
 2 **but there's no time like the present. When did**
 3 **things end between -- like what happened between**
 4 **you and Mr. Walsh? When did things just go south?**
 5 **What happened?**

6 **Would you like a minute? We can go off**
 7 **the record for a minute.**

8 **A I'm fine.**

9 **My mom died April 26th, and my brother,**
 10 **who I never got along with, I had an older brother**
 11 **David, and he was just -- he was like Joe. He was**
 12 **a nut job. He was always jealous that the younger**
 13 **did better. And my mom died at the ocean back at**
 14 **the house, and we'll all holding hands, and**
 15 **everybody was crying. I have two sisters and a**
 16 **brother, and we're all holding her hand when she**
 17 **took her last breath. I looked up, and I saw**
 18 **David, and David wasn't crying. And I remember**
 19 **thinking, wow, that's pretty scary.**

20 **And he met Joe. And Joe wanted to hire**
 21 **him. Joe loved me. He thought I was wonder boy.**
 22 **And, you know, I had a big career. I had thirty**
 23 **years. I started with two grand and tumbled it up**
 24 **to a lot of money. Until that blew up, I was --**
 25 **you know, I was the guy that made it happen.**

Page 86

1 And I said to David, please don't go
2 work for Joe, because if you work for Joe, you
3 know, he's the one that's giving me the money for
4 the hotel. I want to just be -- let's just be
5 brothers. So we made up when my mom died, and we
6 started talking because we didn't talk before
7 that. And he said, I'd rather have a brother
8 than, you know, work for Joe.

9 And he was looking for a job. He was
10 working for General Petraeus in some direct thing
11 overseas, and they were getting bombed, and one of
12 his friends got killed. And I said, look, I hope
13 you find something in the United States.

14 And my mom died, and he went out with
15 Joe on a ride. Joe took him in some new it
16 Rolls-Royce convertible and told him he'd pay
17 him -- I don't know, two hundred and fifty
18 thousand dollar bonus to sign up, and, you know,
19 you're going to be my CFO. And David took the job
20 with him after he promised me he would never work
21 for him.

22 And after he took that job, it was
23 around the same time that Joe had seen my model I
24 did. I hired a firm out of London to do the
25 design for the hotel, and it was a phenomenal -- I

Page 88

1 Nantucket, my brother didn't come. And that's
2 when a week before the thing getting rid of Ryan
3 Black. He broke into the hotel with cutters we
4 have. They break into the hotel, and he took it
5 over with ten big guys. We'd found out that he'd
6 hacked all the computers. We know he hacked them
7 because Mark had an email from Joe, and the email
8 was from China, and it was an email that I had
9 sent to Mark. And Mark said to Joe, how did you
10 get these? He said, oh, we went in and we hacked
11 all of the computers from this guy -- from Ryan.

12 So they had hacked the computer months
13 earlier. Remember, I told you Ryan got the
14 computers? Well, I didn't know that he got the
15 computers and put together a team to go in, and so
16 he had every email from the beginning of time. He
17 stole from the server. And they broke into the
18 hotel. And then they -- his theory was, I own one
19 percent of the hotel. And my theory was, well,
20 you can own one percent of IBM, it doesn't mean
21 you can break in and just take it.

22 And his lawyer at the time was Henry
23 Handler, who was Joe's lawyer, and he claimed self
24 help. You know, they made all these claims. But
25 the idea was simple. They were going to take the

Page 87

1 found who was hospitality of the -- this woman won
2 hospitality of the world award in Genmor. And she
3 did a beautiful, beautiful design. It was her
4 first project in the US.

5 And -- and they saw the unit. Ryan and
6 Joe and David, three of my friends and my own
7 brother, and they saw that unit, and I don't know.
8 I guess it's just greed and jealousy. But what
9 happened next was that there was a phone call.
10 Mark Payne told me about the phone call. He took
11 notes. And he was in the car with Joe. And Joe
12 was talking with Ryan and David, and they were
13 splitting up the division of what they were going
14 to do.

15 They're idea was, they were not going to
16 fund me anymore. They were going to starve me out
17 of money. They even went so far to say that we're
18 going accuse him of stealing all this money, and
19 we're going to get him in jail. And then they
20 laughed, because they knew I'm claustrophobic, and
21 they laughed because my brother told them that I
22 was claustrophobic and that that would really get
23 me. And they schemed, and they said, we're going
24 to take the hotel. And that's just what they did.

25 When my mom's ashes were getting done in

Page 89

1 units, and they were going to sell the condos, and
2 they were splitting it up. I think David got
3 twenty-five percent. I think Ryan got like
4 twenty-five or twenty-six. And I think Joe got
5 the majority.

6 And that's when it went south. They
7 stopped funding the hotel. I used all the money
8 that I had left, and I put into it. And they then
9 went up to Gerry, and they went to his house. And
10 they went to his wife, because they knew Gerry's
11 wife Krista and I didn't get along great. They
12 went to Krista, and they were in her house for
13 about thirty, forty minutes. Krista called my
14 brother, and he came into the house. He lives in
15 the country. He didn't know what the story was.
16 And he went to the house. And he had a gun. He
17 holds a gun. And he walked in. He saw that it
18 was them. He took his gun out, put it on top of
19 the refrigerator and sat down. And they,
20 basically, told him they were going to do exactly
21 what they've done. They said, if you don't give
22 us -- basically, if you don't give us the interest
23 in the LLC right now, we're going to go after you,
24 we're going to go after your brother, you have no
25 idea what we're going to. And they trapped him.

23 (Pages 86 to 89)

SEC_000651

Page 90

1 They had -- I think they had ex-FBI agents go to
2 his house. They -- they didn't quit, and they
3 haven't quit to this day.

4 The irony is that Joe's using this
5 stolen money that he stole that was supposed to go
6 in the hotel, about three million dollars, and
7 he's paying it to Henry Handler at six hundred
8 dollars an hour who knows Joe's crazy, doesn't
9 really care, and is literally using the stolen
10 money to fight me.

11 And they've done it. My house is in
12 foreclosure. I lose it April 6th. My bank
13 accounts are about fourteen dollars. I just
14 bothered eight hundred and sixty dollars from a
15 friend of mine, so I could get the electric bill
16 paid. And I'm fighting for my life trying to
17 finish that hotel. And as God is my witness, I'm
18 going to come out of this, and I'm going to get
19 that hotel built.

20 The hotel is the one that blew me up
21 when I lost my three hundred and thirty-five
22 million dollars. It was because I signed -- I
23 personally guaranteed debt. It was a nonrecourse
24 loan, so you're not personally responsible. And I
25 signed debt without a lawyer, and I gave them

Page 92

1 it. I'd always forgive him. I always forgave
2 because I thought you're suppose to forgive and
3 move on. But I know now I could never -- I mean,
4 I've forgiven him because I can't hate. I've
5 forgiven him. I even prayed for him, all of them.
6 I prayed for Joe, Ryan, my brother, all of them,
7 but I'm never going to do a deal with them again,
8 I can tell you that.

9 So that's how it blew up. Joe -- I
10 don't think Joe ever planned on given me the
11 money. I found out when he would get money in
12 from Tony Reitz, the CFO, and I would find out Joe
13 would get in like three and a half, four million
14 dollars. Then Nicky would beg me money for the
15 construction. And then I'd send an email to Joe,
16 and Joe would say, oh, well, we only got in five
17 hundred thousand, I can't give you any money this
18 week. It was this control game that was just --
19 it wasn't true.

20 MR. REINHART: Okay.

21 THE WITNESS: Sorry. I'm sorry. I was
22 rambling.

23 MR. REINHART: No. No.

24 Can we take a three-minute break?

25 THE WITNESS: Yes. I could use a glass

Page 91

1 Wallingford, Elm Street, JP Morgan Chase, all
2 about almost two million square feet of my
3 buildings I put up as collateral, and I gave them
4 an assignment of the rent. So it means if you
5 didn't pay this back, they would take the
6 assignment of the rents. They would pay
7 themselves and not pay the mortgage. So that's
8 what they did.

9 I went to a closing, all the papers were
10 signed for an institute to borrow sixty-five
11 million dollars, and the institute, it was a
12 credit union, they blew up in '08, '09. And I had
13 really great lender liability suit, but seeing as
14 I never sued anybody in my life, I just chocked it
15 up to, you know, being arrogant. I was pretty
16 arrogant back then, and I thought it was God's way
17 of humbling me. I've been trying to tell him
18 lately that it worked. I'm very humble.

19 So that's how it blew up. I lost my
20 brother. Pretty much maybe spoke to him once, but
21 never spoke to him again. He planned the whole
22 thing. He went in. We told Joe -- Gerry and I
23 told Joe, he will never make it with you a year.
24 His only mission is to go in and to hurt me. He's
25 had this hate from a long time ago. I didn't know

Page 93

1 of water. I'm sorry.

2 MS. SPRINGER-CHARLES: Sure.

3 Let's go off the record.

4 (A brief recess was taken.)

5 MS. SPRINGER-CHARLES: Back on the
6 record at 10:58 a.m. on January 31st, 2017.

7 BY MS. SPRINGER-CHARLES:

8 **Q Mr. Matthews, did you have any**
9 **substantive discussions with any members of the**
10 **staff while we were off the record about the**
11 **matter?**

12 A No.

13 **Q We talked about your daughters. We**
14 **looked at pictures of your daughters. Is that**
15 **what we did?**

16 A Yes.

17 **Q Before we went off the record, we were**
18 **talking about what happened to cause Joe Walsh to**
19 **stop funding the building of the hotel. When did**
20 **you show them the mock up that Inga, I think, had**
21 **created? When was that? I believe you said your**
22 **mom passed in April?**

23 A Yeah.

24 **Q And so when after that did you show them**
25 **that unit?**

Page 94

1 A It could've been before. I'm not really
2 good with time frames.

3 **Q Okay. It was at or about that time?**

4 A Yeah. It could've been before that,
5 just to be clear. Yeah.

6 **Q Okay.**

7 **And I guess my ultimate question is: Why**
8 **would they want to take the hotel from you?**

9 A Oh, I think I figured that answer out.
10 Yeah. I think it's about greed and jealousy. I
11 really believe that's the answer. They wanted to
12 take it, because in Joe's mind, he was getting
13 this money, so in his mind, it was his hotel. And
14 I think Ryan and David, your brother and the guy
15 that you're trying to help out who had a baby that
16 you thought was your friend, I think they turned
17 over absolute -- it turned out really well. Like
18 you should see it. The model's really good. We
19 were preselling them. We had like five presold.
20 It was working really well. So I think that
21 ultimately was the answer.

22 MR. REINHART: To help her with the time
23 frame on the model, let's just kind of walk
24 through the time frame. When did you reacquire
25 the hotel? That was --

Page 96

1 finished -- we were building three units, and we
2 finished one completely. So it would be like a
3 hotel room with all of the furniture made, all the
4 beds, all of the, you know, TVs, a finished unit,
5 like if you went in Miami to look at a model, like
6 a condo model.

7 MR. GALDENCIO: Was this a physical --

8 THE WITNESS: Yeah, physical. It's a
9 room. Like I think it's room 122 or 123. So it
10 would be like a mock up of what all the rooms
11 would look like.

12 MR. GALDENCIO: And that's inside the
13 hotel?

14 THE WITNESS: Yes.

15 MR. GALDENCIO: And you say presold, how
16 do you mean presold?

17 THE WITNESS: Well, we started showing
18 these for sale, you know, showing these units for
19 sale. We got the condo docs done. We never
20 actually sold anything, but we were showing these
21 for sale when people were interested.

22 MR. GALDENCIO: So these were hotel
23 rooms that would be condo?

24 THE WITNESS: Yeah, condo hotel. It was
25 the last approved condo hotel in Palm Beach.

Page 95

1 MS. SPRINGER-CHARLES: August 2013?

2 THE WITNESS: August 2013.

3 MR. REINHART: And your mom passed in?
4 April --

5 MS. SPRINGER-CHARLES: April 2014?

6 THE WITNESS: April 2014.

7 MR. REINHART: Okay. So, obviously,
8 somewhere in that window is when you would've
9 shown the model, right?

10 THE WITNESS: Yeah.

11 MR. REINHART: You had reacquired it --

12 THE WITNESS: It wasn't when I acquired
13 it.

14 MS. SPRINGER-CHARLES: Right.

15 THE WITNESS: We had to do a lot of
16 work. It was after that.

17 MR. REINHART: So probably early 2014, I
18 would guess?

19 THE WITNESS: Yes. Uh-huh.

20 MR. REINHART: Okay. If that helps.

21 MR. GALDENCIO: I'm sorry. Can I -- I'm
22 just a little confused on the model. What is the
23 model of?

24 THE WITNESS: So we built -- not like a
25 model, like a house model, but we built a -- we

Page 97

1 MR. GALDENCIO: And was the idea of the
2 condo being a hundred percent ownership in one
3 deed, or a timeshare-type of thing?

4 THE WITNESS: The concept for the condo
5 docs was to -- you would own an unit, not a
6 timeshare. You'd own a hundred percent.

7 BY MS. SPRINGER-CHARLES:

8 **Q Based on the records I have, Crystal,**
9 **correct me if I'm wrong, but I think subsequent to**
10 **April of 2014, Joe Walsh continued to fund you for**
11 **a brief period even after that. So I just want to**
12 **understand if anything in particular happened**
13 **where he said, and now I'm just not going to send**
14 **anymore funds to you? Did a particular thing**
15 **happen or --**

16 A I don't remember anything happening. I
17 just think after that date it would've -- David
18 would've got in there, and I don't know after --

19 MR. REINHART: I think her question is:
20 Did there come a point when you'd contact Mr.
21 Walsh and say, I need additional funds, and he
22 goes, no, I'm not giving you anything?

23 THE WITNESS: No, I don't remember that.
24 I just remember he never sent anymore money. I
25 mean, it was obvious once he broke into the hotel

Page 98

1 with Ryan, they were trying to take over
2 physically, I mean.
3 BY MS. SPRINGER-CHARLES:
4 **Q But prior to the break-in, is there a**
5 **time where you went and you said, Mr. Walsh, we**
6 **need more funds, Nick needs more money, and he**
7 **said, no, I'm not --**
8 A Oh, I'm sure -- I'm sure --
9 MR. REINHART: What is your question?
10 THE WITNESS: Okay. I'm sorry.
11 I'm sure there's emails asking for
12 money. I don't know the date, but I'm sure we
13 asked him for money, and he just stopped sending
14 money.
15 BY MS. SPRINGER-CHARLES:
16 **Q And did you ask him why?**
17 A I don't know if he was even speaking to
18 me then. He never really said why.
19 **Q You know, it's just strange for me that**
20 **he's sending money all the time, and, you know,**
21 **the hotel is being built and things are**
22 **progressing, and then all of a sudden the money**
23 **stops coming. Did things just happen really**
24 **quickly and so that's why -- I'm just trying to**
25 **understand.**

Page 99

1 A He wanted it. He specifically was not
2 going to fund anymore. And I think at the time
3 now looking back what happened was that it wasn't
4 his money. The money he talked about putting in
5 that was personal money because he made like -- I
6 think he made like eighteen or twenty million
7 dollars on the Royal Palm buildings that he did.
8 And so I think that he was using the
9 EB-5 money as his own personal piggy bank is what
10 I think now. And I think he had spent a lot of
11 money and knew he was -- I was never going to
12 catch up. I was never going to get the money
13 because he'd already spent it. I think he sort of
14 knew it all along, that that's what was going to
15 go on, so -- but I can't think of one specific
16 event, no.
17 MR. REINHART: So you think the reason
18 he stopped funding you was that he was running out
19 of money? Is that what you're saying?
20 THE WITNESS: No. I think he had money,
21 and he wanted to keep it, and he was never going
22 to fund me the whole deal. That's what I believe
23 in my heart. Yeah. If he stopped funding me and
24 I gave him the hotel back, then it would be his.
25 Then he could continue funding and do whatever he

Page 100

1 was going to do.
2 BY MS. SPRINGER-CHARLES:
3 **Q I'm showing you what's been previously**
4 **marked as Exhibit No. 78. I'm only putting this**
5 **in front of you to see if it'll jog your memory,**
6 **but I want to talk about any other business**
7 **dealings that you may have had with John Marcus**
8 **Payne.**
9 **What other business dealings did you**
10 **have with him over the years?**
11 A A lot. He was always trying to find
12 money on deals for something. The top one is some
13 Indian guy. I believe he was trying to get
14 Hamad --
15 **Q And I think all of these emails are**
16 **related to drafting an agreement related to this**
17 **Rujani individual?**
18 A Yeah. I mean, it looks to me he was
19 trying to get people to do deals. I mean, we
20 looked at the deal in Las Vegas. The
21 Fountainsbleau at one point that Joe looked at. I
22 met with people. So these look like they're all
23 about trying to do deals. There was like a
24 million things he was trying to do.
25 **Q Did you ever successfully do any deals**

Page 101

1 **with Mark Payne?**
2 A No. He tried really hard. He tried --
3 he's still trying to get me financed.
4 **Q I'm showing you what's been marked as**
5 **Exhibit No. 79. Can you tell me if you ever**
6 **transferred any funds to Mr. Payne at this time in**
7 **conjunction with this email and invoice that's**
8 **attached to the email?**
9 A I don't know. I mean, if you didn't
10 show me this, I would say I never even saw it, but
11 I believe it's true. I don't know if he billed me
12 for this or not. I don't know.
13 **Q Did Mark Payne go to Hong Kong to talk**
14 **to Joe Walsh surrounding the issues concerning**
15 **EB-5 and Palm House?**
16 A I have no idea.
17 **Q Did he tell you that he did?**
18 A I don't recall.
19 **Q And did you at on or about March 4th,**
20 **2016, do you recall sending Mark Payne fifteen**
21 **thousand dollars?**
22 A 2016?
23 **Q 2016.**
24 A Wow, that's not that long ago.
25 **Q It's last year.**

Page 102

1 A Yeah.

2 **Q And then the last email in Exhibit No.**
 3 **79, it's May 11th, 2016. It says, On Funds. And**
 4 **this says, "Bob, if you're going to send funds,**
 5 **here are coordinates. Still at Chase Bank, but**
 6 **with new account number."**

7 **Do you recall if you sent between March**
 8 **and May, did you send Mr. Payne any funds?**

9 A I don't recall. I'd be surprised if I
 10 did. I think this was -- oh, I know what this
 11 was. This was for him to go to -- this was for
 12 him to go to Hong Kong and meet with Joe, and I
 13 believe he did go to Hong Kong and meet with Joe.
 14 And he was trying to resolve all the lawsuits.

15 **Q And did you pay him fifteen thousand**
 16 **dollars?**

17 A I don't think I did. I don't think I
 18 did. I didn't have any money, so there's no way I
 19 could've paid him fifteen thousand dollars.

20 **Q Did Mark Payne have any -- did he do**
 21 **anything for you as it related to Bonaventure?**

22 A I don't recall.

23 **Q Did you have any business dealings with**
 24 **Mark's brother-in-law regarding a play?**

25 A Oh, his brother-in-law wanted Mia to be

Page 104

1 second piece of property that Joe wanted to buy
 2 for -- it's on Clematis Street.

3 MS. IVORY: And did this property have
 4 anything to do directly with Palm House?

5 THE WITNESS: No. Only indirectly, that
 6 it was another one like the one behind the
 7 property.

8 MS. IVORY: Okay.

9 And did you ever complete that purchase
 10 or purchase the property?

11 THE WITNESS: No. No. No.

12 BY MS. SPRINGER-CHARLES:

13 **Q What do you mean it was indirectly**
 14 **related?**

15 A Well, only that it was in that he wanted
 16 to do another one. We worked on this one. We
 17 worked on one in Lake Worth. We worked on one
 18 behind the building. It was going to be all these
 19 projects. It was this -- you know, I was trying
 20 do more than one deal.

21 MS. IVORY: Thank you.

22 BY MS. SPRINGER-CHARLES:

23 **Q I'm showing you what's been previously**
 24 **marked as Exhibit No. 80. I want to walk through**
 25 **these documents because I think what it does is**

Page 103

1 in a play, I think.

2 **Q You. Okay.**

3 A Wanted Mia. I'm sorry.

4 **Q Oh, Mia. Okay. I gotcha.**

5 A Mia.

6 MR. REINHART: For the record, who's
 7 Mia?

8 THE WITNESS: My wife. She knows.

9 MR. REINHART: Well, the record didn't
 10 know till you said it.

11 THE WITNESS: Sorry.

12 BY MS. SPRINGER-CHARLES:

13 **Q Okay.**

14 **Did that ever happen?**

15 A No.

16 **Q Okay.**

17 **Did you ever provide Mark Payne with any**
 18 **funds for any business relationship, other than**
 19 **Palm House?**

20 A I could've. I don't remember. I mean,
 21 there could've been fifteen deals he tried to do,
 22 so I don't remember.

23 MS. IVORY: Who is Robert M. Samuels?

24 THE WITNESS: He is the -- one of the
 25 owners of a piece of property that we were -- the

Page 105

1 **it -- do you mind sharing?**

2 MR. REINHART: I don't.

3 MS. SPRINGER-CHARLES: Thank you. I
 4 only have one copy.

5 BY MS. SPRINGER-CHARLES:

6 **Q What it does, as I walk through these**
 7 **emails and the documents attached, it seems like**
 8 **it sets out the business relationship that you had**
 9 **with Joe Walsh. And you'll correct me if I'm**
 10 **wrong. But the first email here is an April 13th,**
 11 **2012 email. I think Perlman forwards you an email**
 12 **that Payne had written to Jeff Perlman. Is that**
 13 **correct?**

14 A It looks that way, yes.

15 **Q Okay.**

16 **At the bottom of the email, it says --**
 17 **if we look at the bottom where the word "each"**
 18 **starts, do you see that first page at the bottom?**

19 A I'm sorry.

20 **Q It says, Each project.**

21 A Each project, right.

22 **Q It says, "Each project would require a**
 23 **thirty thousand dollar deposit by wire transfer to**
 24 **the USREDA account in Delray beach."**

25 **Did you pay a thirty thousand dollar**

27 (Pages 102 to 105)

SEC_000655

Page 106

1 deposit to USREDA?
 2 A I don't think I did. I remember paying
 3 a fifteen thousand dollar deposit.
 4 Q Okay.
 5 I think it might help if you took
 6 sometime to just look through the emails, because
 7 I think in chronological order, it sort of spells
 8 out your agreement and what you're talking about,
 9 what I think are the agreements. You'll correct
 10 me if I'm wrong.
 11 A Okay.
 12 Q You believe you paid a fifteen thousand
 13 dollar deposit, correct?
 14 A Yes.
 15 Q Okay.
 16 Why didn't you pay the other fifteen
 17 thousand dollars?
 18 A I think I negotiated down to fifteen is
 19 what I believe happened.
 20 Q Okay.
 21 When I read these agreements, there's a
 22 discussion of an upfront interest payment, prepaid
 23 interest. Did you agree to make prepaid interest
 24 payments on the loan from Palm House, LLLP to Palm
 25 House, LLC?

Page 107

1 A We discussed a number of things.
 2 Originally, raising sixty-two million dollars and
 3 paying a LIBOR, plus point eight percent, which
 4 was around about a two percent deal. And at one
 5 time we talked about doing a three point two
 6 percent interest rate. That's actually the only
 7 document I signed with Joe. That's my signature.
 8 Q Can you just --
 9 A The last page.
 10 Q The Bates number is SEC-REITZAD-0011447?
 11 A Yeah.
 12 Q Okay.
 13 A I think this is the only document I ever
 14 signed, by the way. And there's the fifteen
 15 thousand dollars.
 16 Q Right. I see it.
 17 A If he raised bridge money, he was going
 18 to get two percent.
 19 Q Let's stop there. The Revere loan, was
 20 that considered bridge money?
 21 A Say again.
 22 Q The Revere Capital loan, was that
 23 considered bridge money?
 24 A No. No.
 25 Q Okay.

Page 108

1 A It was to get -- it was to get money to
 2 be able to buy the hotel now, as opposed to later.
 3 MR. REINHART: When you say it, do you
 4 mean the bridge money or the Revere loan?
 5 THE WITNESS: No. The bridge loan.
 6 BY MS. SPRINGER-CHARLES:
 7 Q The bridge loan.
 8 A The bridge loan.
 9 Q I'm sorry. The bridge loan never
 10 happened, did it?
 11 A No.
 12 Q Okay.
 13 A And they were originally going to raise
 14 sixty-two million dollars. And at one point, we
 15 talked about a three point two percent. We talked
 16 about some kind of a present value. There's
 17 actually emails with present values of what the
 18 money would be if you didn't pay it. Because I
 19 think the loan documents that I actually signed
 20 didn't have that. But at one point, we talked
 21 about raising money, but if you paid it upfront we
 22 would be doing net present value on what that
 23 would come out to be.
 24 Q Did you agree to doing that with Joe?
 25 A Well, on this one, I did, but the deal

Page 109

1 changed. Like I said, this was the only one I
 2 signed. At this point in time, he was going to
 3 raise sixty-two million, and I agreed to these
 4 terms, and I signed it.
 5 Q When the deal changed, did you document
 6 that?
 7 A Well, I never signed anything else after
 8 this, I don't think.
 9 Q Okay.
 10 A I think after the deal changed, Joe sent
 11 in another note -- a note document that Ryan, I
 12 believe, signed and predated by six months or
 13 something. I think that's --
 14 Q The actual loan documents that were
 15 attached to the offering documents?
 16 A I don't know what was attached to what.
 17 I just know that I went through my emails
 18 recently, and I saw that there was a loan
 19 document, and that Ryan signed it. Maybe, let's
 20 say, I sent it today, and then two days later it
 21 came back, and he had dated it for six months
 22 before.
 23 Q Right. I saw that, and we'll get to
 24 that, as well.
 25 A Yeah. That's the only other thing I

Page 110

1 know that was signed.

2 MR. REINHART: You said the deal
3 changed. How did -- what did the deal change to?
4 If that's okay?

5 MS. SPRINGER-CHARLES: Yeah. Yeah.

6 THE WITNESS: Well, the deal changed a
7 lot. The next point, he was going to raise
8 thirty-nine five. Later on, he talked about
9 raising forty-six five. At one point, he was
10 going to try to keep an ownership interest in it.
11 I think this deal said he would have a back-end
12 ownership of four point four percent. I think
13 later on, he said he wanted ten percent. I mean,
14 it -- it changed. It ended up not being the
15 sixty-two million dollars and not being the LIBOR,
16 plus point zero eight percent. He had changed the
17 deal a lot.

18 BY MS. SPRINGER-CHARLES:

19 **Q Is the ultimate deal the one that you**
20 **got Ryan Black to sign? Is that the deal that you**
21 **were agreeing to?**

22 A Not in my heart, no. I always wanted --
23 I'm a handshake guy. I always thought he'd do the
24 deal. This is the deal. This is the one that I
25 signed. This is the deal that I agreed to. And

Page 112

1 he like sent this to me, and I think he typed it.

2 **Q Can I show you -- these documents,**
3 **again, are in chronological order. If you go to**
4 **an email that's dated 11/4/2012, there's an**
5 **email --**

6 A Oh, sorry. In here?

7 **Q In Exhibit No. 80. 11/4/2012. There's**
8 **an email from Marcus to you. Here.**

9 A A new document?

10 **Q Right. And if you turn to the document**
11 **that's attached, it appears to be similar to the**
12 **document that you executed.**

13 A Yeah. I don't think I signed that.

14 **Q Did you ever sign this one?**

15 A No.

16 **Q Because here we see that now the**
17 **back-end equity interest is ten percent --**

18 A Yeah.

19 MR. REINHART: Shhh, let her finish.

20 THE WITNESS: Sorry.

21 BY MS. SPRINGER-CHARLES:

22 **Q It's still four percent -- four point**
23 **four percent interest, but the back-end equity --**
24 **I mean, it was, but it changed to ten percent. Do**
25 **you see that?**

Page 111

1 in my mind, that's what it should've been, but --

2 **Q So then did you --**

3 A I don't even think I read Ryan's. I
4 just remember the interest rate changed. That's
5 all I remember.

6 **Q Right.**

7 **So then are you telling me that you**
8 **agreed to make this prepaid interest payment of**
9 **three point two percent?**

10 A If he raised me sixty-two five, this
11 deal that I signed, I agreed to that deal.

12 **Q Okay.**

13 A That is my signature.

14 **Q And you also agreed to this back-end**
15 **equity of shared interest of four point four**
16 **percent in the project?**

17 A At that point in time, before he changed
18 the deal, yes.

19 **Q I'm going to represent to you that**
20 **neither of those terms made it into the loan**
21 **document that ultimately got sent to investors**
22 **that were attached to the offering documents. Why**
23 **is that?**

24 A That doesn't surprise me. That's Joe.
25 This deal, I believe, was done my Marcus. I think

Page 113

1 A Yeah.

2 **Q Did you agree to this?**

3 A No.

4 **Q Okay.**

5 **Did you sign it?**

6 A I'm ninety-nine point nine percent sure
7 the only thing I ever signed was the one that I
8 just showed you, that one.

9 **Q And that's the agreement that you --**
10 **that's what you believe you were supposed to do?**

11 A Yes.

12 **Q Okay.**

13 **Let me just take a minute. I want to go**
14 **through this to see if there's any finer points I**
15 **want to ask you about.**

16 **Did you believe that Mark Payne was**
17 **acting as Joe Walsh's lawyer in this transaction?**

18 A No.

19 MR. REINHART: Let's go off the record
20 for just a minute?

21 MS. SPRINGER-CHARLES: Yes.

22 Let's go off the record.

23 (A brief recess was taken.)

24 MS. SPRINGER-CHARLES: Back on the
25 record at 11:26 a.m. on January 31st, 2017.

Page 114

1 BY MS. SPRINGER-CHARLES:
 2 Q Mr. Matthews, did you have any
 3 substantive discussions with any members of the
 4 staff while we were off the record?
 5 A No.
 6 Q I'm showing you what's been previously
 7 marked as Exhibit No. 5. It's a composite
 8 exhibit -- I don't know why I only having two
 9 exhibits -- of emails between yourself and Jade
 10 Yu, correct?
 11 A Yes.
 12 Q Okay.
 13 Can you tell me what's being discussed
 14 in these emails?
 15 A We were trying to figure out the net
 16 present value using different discount rates on if
 17 Joe raised forty-six five and you did a payout,
 18 you know, what would you -- what would we owe him?
 19 Q Why forty-six five?
 20 A Well, this one says forty-six five.
 21 There's probably one for thirty-nine five. I
 22 didn't look, but I imagine.
 23 Q When I looked at them, I think they were
 24 all discussing the forty-six five.
 25 A So then that means it has -- well, there

Page 116

1 A Yeah.
 2 Q Okay.
 3 And it says, "Joe, there's an equal
 4 side," and there's a slash through it --
 5 A That's not my handwriting.
 6 Q I think it says honor -- honoring --
 7 perhaps, honoring number. Is that your
 8 handwriting?
 9 A No.
 10 Q Okay.
 11 A I don't think it says honoring.
 12 Q No, you don't. Okay. What does it say
 13 to you.
 14 A I don't know.
 15 Q Okay.
 16 On the top of that email chain, do you
 17 see that four million dollars, and in parenthesis
 18 it says, Joe's fee?
 19 A Oh, Joe's fee, four million dollars.
 20 Q I know Jade is sending you that email,
 21 but do you know what that represents?
 22 A I think it was the net present value,
 23 and then deducted with Kevin's fees, because Joe
 24 was supposed to raise the money, so we were
 25 deducting what Kevin -- I think it was two eleven

Page 115

1 you go, 6/17/14. So originally he was going to
 2 raise thirty-nine five. Then he said he was going
 3 to raise forty-six five.
 4 Q Okay.
 5 A He said that the jobs qualified or
 6 something. I don't know. I never saw any
 7 paperwork. That's what he told me.
 8 Q Why were you doing these calculations at
 9 or about this, June --
 10 A Well, I was trying to figure what I had
 11 left -- of the money, how much was going to be
 12 able to come to me.
 13 Q How much money was left --
 14 A Yeah, to finish the construction. You
 15 know, we're over budget. We're trying to figure
 16 out what do we have left to get the job done.
 17 Q Okay.
 18 On the first page, whose handwriting --
 19 it looks like two different handwritings. Whose
 20 handwriting, if you know, are on these pages?
 21 A That's my handwriting.
 22 Q Which one?
 23 A This part was me. I know my numbers.
 24 Q So you're pointing to the bottom half of
 25 the email?

Page 117

1 he must've been paid at the time.
 2 Q What does the four million dollars
 3 represent?
 4 A Well, this one says, the net present
 5 value of -- at three point -- I think she made
 6 different interest rates.
 7 MR. REINHART: No. Her question is:
 8 What's Joe getting a four million dollar fee for?
 9 THE WITNESS: Oh, because we were doing
 10 present value. It's the interest, what he would
 11 get for -- so if he raised forty-six five, we
 12 would get forty-two five for the project.
 13 BY MS. SPRINGER-CHARLES:
 14 Q And the four million is supposed to be
 15 the interest, is that what that's supposed to be?
 16 A Yeah. Yeah.
 17 Q Okay.
 18 A Yeah. See, three point two percent
 19 interest using a ten percent discount.
 20 Q Okay. I just want have to make it clear
 21 on the record.
 22 A No. Sorry.
 23 Q I don't want to assume what it says.
 24 A You're right. You're right.
 25 Q On 10/23, Jade sends you -- sent an

Page 118

1 **email. The subject is, Numbers for discussion**
2 **with Joe. Do you see that --**
3 MR. REINHART: Hold on. Can I go back
4 to the four million dollars? Because I read this
5 differently. I just want to make sure he's clear.
6 MS. SPRINGER-CHARLES: Okay.
7 MR. REINHART: Are you saying this four
8 million dollars given to Mr. Walsh is an interest
9 payment, or is that a fee he's getting for raising
10 the money?
11 THE WITNESS: No. In my mind, it was an
12 interest paid, prepaid interest.
13 MR. REINHART: Okay.
14 THE WITNESS: That's what I thought. I
15 mean, he did get money on fees. I mean, that's
16 what I think. I'm not a hundred percent sure, but
17 I think that's what it was.
18 MR. REINHART: As of June 13th, 2014,
19 how much money did you think he was going to be
20 raising on behalf of the project?
21 THE WITNESS: Right there.
22 BY MS. SPRINGER-CHARLES:
23 **Q The forty-six five?**
24 A Forty-six five, yeah.
25 MR. REINHART: Okay.

Page 120

1 sorry? Fourteen, right?
2 A No. Forty-six five, minus four million
3 two.
4 **Q Okay.**
5 A Is what? Forty --
6 MR. REINHART: So there's fourteen
7 million, five hundred and three dollars left --
8 THE WITNESS: Left, right.
9 MR. REINHART: -- to be disbursed to
10 finish the project?
11 MS. SPRINGER-CHARLES: Right. Okay.
12 THE WITNESS: I'm sorry. But I meant
13 you're going to get fourteen, plus twenty-eight.
14 That's why I'm saying that. Okay. Yes. Fourteen,
15 yes.
16 BY MS. SPRINGER-CHARLES:
17 **Q Why were you deducting Kevin's fees?**
18 A Because Joe had made a deal that I
19 signed that he was getting X-amount of money, and
20 he hired Kevin to -- and he wanted me to pay
21 Kevin, so I wasn't going to pay twice.
22 **Q Why were you paying Kevin?**
23 A Joe asked me to pay Kevin on -- I don't
24 know, some amount of money monthly towards Kevin.
25 **Q Right. And I saw that, but why didn't**

Page 119

1 And -- do you know if I --
2 MS. SPRINGER-CHARLES: No. Go ahead.
3 MR. REINHART: Okay.
4 It says here, twenty-eight million, one
5 sixty-eight received. Is that the amount that you
6 had received toward the project at that point?
7 THE WITNESS: Well, there's an email
8 that says Tony's number because we didn't know for
9 sure. Tony said there was twenty-eight one
10 sixty-eight.
11 MR. REINHART: Twenty-eight one
12 sixty-eight that had been disbursed to the
13 project?
14 THE WITNESS: As of June 10th. What
15 date is this? This is June 13th. So what she's
16 saying to me is, Hey, Bob, if you do this present
17 value at a three point two interest rate, you take
18 out Kevir's fees and you take out Joe's, then
19 you're going to get forty-two, three hundred
20 thousand dollars to finish the project. That's
21 what it says.
22 MR. REINHART: Okay.
23 THE WITNESS: Yeah.
24 BY MS. SPRINGER-CHARLES:
25 **Q You're going to get how much? I'm**

Page 121

1 **Joe directly pay Kevin if he hired Kevin?**
2 A I don't know. He wanted -- I think he
3 was just trying to, you know, think I wouldn't
4 remember, you know, get me. Just like the fifteen
5 thousand was supposed to be returned. It never
6 was returned.
7 **Q The deposit?**
8 A Yeah. It was just Joe.
9 **Q If we go to 10/23/2014, there's an email**
10 **that says, Numbers for your discussion with Joe. I**
11 **think we established it was at or about October**
12 **21st that Ryan was removed as managing member.**
13 A Sorry. Where is it?
14 **Q It's in chronological order, so if you**
15 **go October 23rd, 2014.**
16 A Okay.
17 **Q It's a spreadsheet attached. Did you**
18 **have some discussion with Joe about these numbers**
19 **at or about this time?**
20 A No, I don't think so. I think I was
21 gonna talk to Joe, and I don't think he wanted to
22 talk about it.
23 **Q What were you going to talk about?**
24 A What's left for money that you have to
25 send in. And he never wanted to talk about that.

31 (Pages 118 to 121)

SEC_000659

Page 122

1 I could've, but I don't remember ever talking
2 about it.

3 **Q Let's look at the last page of this**
4 **exhibit. This was a separate spreadsheet because**
5 **this is a composite exhibit, but this was a**
6 **separate spreadsheet that you produced to us.**
7 **Let's look at the bottom. I'm trying to**
8 **understand exactly -- I think Jade may have --**
9 **well, who prepared this document?**

10 A It looks like Jade.

11 **Q Okay.**

12 **At the bottom of the larger chart, the**
13 **first asterisk, it says, "As of 6/10/14, Tony said**
14 **he wired thirty-one million, five hundred**
15 **sixty-four thousand to Palm House." Do you see**
16 **that?**

17 A Yes. I just want to see his email. I
18 just want to see if it's the same thing, what he
19 said. I thought he said something different.

20 **Q It looks like the number has grown**
21 **slightly.**

22 A Yeah. Okay. Okay.

23 **Q Then the second asterisk says, "As of**
24 **10/2/14, taking Tony's numbers and adding the**
25 **subsequent wires, Tony thinks he has given a total**

Page 124

1 **Q Now it's nine point eight million**
2 **dollars.**

3 A Yeah, all of a sudden it grew. Because
4 I think we were looking at it. We paid his
5 interest over the five years at four point four
6 percent -- can I go off the record for a moment?
7 MS. SPRINGER-CHARLES: Yeah. Let's go
8 off the record.

9 (A brief recess was taken.)

10 MS. SPRINGER-CHARLES: Back on the
11 record.

12 BY MS. SPRINGER-CHARLES:

13 **Q Mr. Matthews, you didn't have any**
14 **substantive discussions with us while we were off**
15 **the record? You were doing some calculations in**
16 **your head, right?**

17 A Yes.

18 **Q Okay. I mean, they were verbal, but**
19 **they didn't really add anything that needed to be**
20 **on the record.**

21 **Again, I guess we're just trying to**
22 **understand what this three point three nine six**
23 **million dollars is, as opposed to the nine point**
24 **eight million dollar Joe's fees.**

25 A I don't think Joe's fee ever was nine

Page 123

1 **of thirty-six million, sixty-four thousand**
2 **dollars." Do you see that?**

3 A Yes.

4 **Q Then it says, "He deducted three**
5 **million, three hundred ninety-six thousand dollars**
6 **for Joe leaving us with thirty-two million dollar,**
7 **six hundred sixty-eight thousand dollars."**

8 **What does that mean, if you know?**

9 A He deducted three for Joe.

10 **Q Why did he -- what does that mean?**

11 A I can only think of two things. It
12 could be that he deducted that as prepaid
13 interest, or he deducted it because it was that
14 loan that we did at the closing with Revere was
15 around three something. So I'm not really sure.

16 **Q If we read the next sentence, I don't**
17 **know if it will help clarify it because it says,**
18 **"So forty-six point five million," I assume,**
19 **"minus thirty-two point six six eight million,**
20 **minus nine point eight million," in parenthesis it**
21 **says, "Joe's fee, plus two hundred thousand,**
22 **fifty-three dollars," in parenthesis, "Kevin,**
23 **equals four point two three two million left due**
24 **to Palm House."**

25 A Right, except for Joe's fee was --

Page 125

1 point eight. So I didn't do the calculations. I
2 just know he was never going to get ten million
3 dollars for doing the loan.

4 **Q How much did you think he was going to**
5 **get?**

6 A I thought he was going to get around
7 four million dollars.

8 **Q Was Mark Payne supposed to get any of**
9 **the four million dollars that was going to Joe?**

10 A I don't think -- not that I know of.

11 MS. SPRINGER-CHARLES: I'll ask the
12 Court Reporter to mark a copy of this email, dated
13 11/25/2012 from joedirect to
14 rvmatthews22@gmail.com, it's forwarding a chain of
15 emails as Exhibit No. 156.

16 (SEC Exhibit No. 156 was
17 marked for identification.)

18 BY MS. SPRINGER-CHARLES:

19 **Q I'm showing you what's been marked as**
20 **Exhibit No. 156. If we start from the bottom on**
21 **November 26th, 2012, it looks like you sent to**
22 **David, and I believe this is David Derrico, if I'm**
23 **not mistaken. I've seen this email in other email**
24 **chains, so I'm going to represent to you, I think,**
25 **it's David Derrico.**

Page 126

1 It says, "Please see attached management
2 bios, as well as the original agreement with Joe.
3 The agreement reflects the agreed three point two
4 percent interest rate payable to the LLLP. The
5 LLLP also received a ten percent back-end interest
6 as documented elsewhere, but not reflected in this
7 agreement." And then he talks about other issues.

8 Bob then responds -- well, Joe responds,
9 "Bob, please listen to your voicemail. I will
10 talk with you on this tomorrow morning. David
11 will make changes if necessary tomorrow."

12 Then you say, "Joe, got your voicemail.
13 I understand you need to keep PPM simple. I think
14 we can do this as you say and put the details of
15 the deal in the club docs. Best, Bob."

16 And then Joe says, "Okay. Talk with you
17 in the morning."

18 Other issues that were discussed in the
19 initial email were the bonus benefits, the club
20 membership, the advisory board -- and I think the
21 advisory board.

22 Do you recall what Joe said to you about
23 keeping the PPM simple? What was he talking
24 about? I know it was sometime ago, but --

25 A Yeah. All I remember is -- I'm not

Page 128

1 **Q Did Joe tell you that they should not --**
2 **and this is a question. I'm not putting words in**
3 **your mouth. But just did Joe tell you that, you**
4 **know, it was his opinion that the three point two**
5 **percent prepaid interest, as well as the ten**
6 **percent back-end equity rate should not go in the**
7 **PPM or in the offering documents?**

8 A I don't know. I didn't have a lot to do
9 with the PPM. Outside of hiring Frank to get the
10 numbers for the hotel that I gave to David and
11 outside of the construction numbers that Frank got
12 with Nick and I gave to David, that's -- and I
13 gave him -- I think I gave him these bios that are
14 here, other than that, I don't -- I didn't have
15 anything to do with the PPM.

16 **Q What numbers did Frank get?**

17 A The -- as I said earlier, he hired the
18 appraiser. He got the projections for the average
19 daily rates and the revenue projections on the
20 hotel, what the occupancy would be, those numbers.

21 **Q And so you supplied those numbers to**
22 **David for inclusion in the offering documents?**

23 A Yeah. They asked me for those two
24 things specifically for what they were doing to
25 raise the money. I mean, remember, he was raising

Page 127

1 really sure what he was talking about. It looks
2 like that I must've agreed to the ten percent,
3 which I thought was four point four percent in the
4 other agreement.

5 **Q Would that explain why you were**
6 **deducting the nine point eight million dollars**
7 **that we saw on the previous Exhibit 5?**

8 A No, because it was a ten percent
9 back-end interest after you sold it.

10 **Q Back-end interest. I gotcha.**

11 A Not interest rate. Back-end --

12 **Q Oh, so not the four point four percent,**
13 **but ten percent?**

14 A Right.

15 **Q Okay.**

16 MR. REINHART: Isn't it ten percent
17 equity ownership in the hotel?

18 MS. SPRINGER-CHARLES: Equity, right.
19 Not the interest paid for the loan?

20 THE WITNESS: Not the interest rate. I'm
21 sorry. Yes. Yes.

22 BY MS. SPRINGER-CHARLES:

23 **Q I understand. Okay.**

24 A I don't know what Joe talked to me
25 about.

Page 129

1 the money and that's -- if you look back at the
2 original exhibit you gave me with him raising
3 money, he's doing everything. I don't know
4 anything about that world. Even today I don't
5 really understand that world. I still don't. And
6 I don't even want to know today more than ever.
7 But I never read his PPM. I never -- but when he
8 asked me what the construction would be and what
9 the average daily rates and the hotel revenues
10 would be, I hired people, and they gave me those
11 numbers, and I gave them to David.

12 **Q And you said you also got information**
13 **from Nick to provide to David?**

14 A Right. Right, for the construction.

15 **Q And you provided the biographies of the**
16 **management team for inclusion in the offering**
17 **documents, correct?**

18 A Yeah. I didn't -- I wasn't sure -- I
19 mean, I guess -- I don't know if I knew he's
20 putting in the offering or not. I don't know if
21 he ever did put them in the offering. I know he
22 asked me that he needed these resumes for what he
23 was doing. I didn't know if just needed them
24 personally or if he needed them to specifically
25 put in there.

Page 130

1 **Q He, David?**

2 A No. I think Joe asked me for it, I
3 thought. David could've. David and Joe are the
4 same.

5 **Q Yeah. In your email, you're saying,**
6 **Dear David. And I think later we'll see where**
7 **David's asking for the information.**

8 A Oh, okay. Okay. Okay.

9 **Q I want to now move on to talk about your**
10 **relationship with several individuals and**
11 **entities, and then I think that would be an**
12 **appropriate time to just go on a lunch break after**
13 **that.**

14 **Who is Jade Yu?**

15 A She was the girl that was like an
16 administrative assistant, a right-hand person.

17 **Q When did you hire Jade to serve as your**
18 **administrative person?**

19 A I don't remember. I'm sure there's an
20 email, but I don't know.

21 MR. REINHART: One second. Can you give
22 a general time frame? Are we talking, did she
23 work there for a year, for five years, for ten
24 years?

25 THE WITNESS: Three to five years ago

Page 132

1 **Q Which you'd authorized her to do that?**

2 A Yeah, she had the right to do it.

3 Absolutely.

4 **Q Okay. Based on your authority, correct?**

5 A Yes. She had the right to do it.

6 **Q Okay.**

7 Do you know whether Jade ever conducted
8 any business out of 160 Royal Palm's bank account
9 or Les -- or directed Les Evans to do anything
10 absent authorization from you?

11 A Yes.

12 **Q When?**

13 A She took some personal items on -- on
14 some of the stuff. And on some of the accounting,
15 she didn't keep separate from my accounting to
16 160's accounting. So the idea was to do a
17 true-up, but do a due to/from at the end of the
18 year. So I know she -- I'm making this up, but I
19 think she told me once she took, you know, a
20 hundred and fifty bucks because she didn't have
21 any money and she had to pay some personal thing
22 or some clothing or something. So I think there
23 were some minor things that she did.

24 **Q Well, I think you said two different**
25 **things, right? Am I wrong? That first, she took**

Page 131

1 whenever I did this thing. I mean, I don't know.

2 BY MS. SPRINGER-CHARLES:

3 **Q Was she hired after you had acquired the**
4 **hotel?**

5 A Probably. I don't know. Because where
6 would she have worked if she wasn't? Yeah,
7 probably.

8 **Q Okay.**

9 And your only memory is of her working
10 at the hotel, correct?

11 A Yeah.

12 **Q Okay.**

13 Each time Jade conducted business on
14 behalf of 160 Royal Palm, was it at your
15 direction?

16 A Well, when I asked her to do it, it was
17 at my direction. If she did something without
18 it -- she was pretty independent. If she did
19 something without it, then it wasn't.

20 **Q Well, would Jade transfer funds out of**
21 **160 Royal Palm's bank account absent authorization**
22 **from you?**

23 A She could've if we were low and we had
24 to get Nicky money. She might send an email and
25 ask Les for money, you know.

Page 133

1 **some personal money?**

2 A True.

3 **Q Once about a hundred and fifty dollars**
4 **on one occasion?**

5 A Yes.

6 **Q Okay.**

7 A It could be less.

8 **Q And then you said something else. Can**
9 **you tell me what's the second thing you said.**

10 A Well, that I had monies due to me from
11 160 developer fees of two two -- approximately,
12 two point two million dollars. And so
13 sometimes -- I know I took one fee of one one
14 directly.

15 **Q And that was the money that went to**
16 **Bonaventure 22, correct?**

17 A Right. And then there was another fee.
18 I don't know what we called it. But they were
19 developer fees. I don't know what we called them.
20 It could've been an administrative fee, whatever.
21 We called it something. But there were two fees
22 that equaled two two.

23 And the other one could've been where --
24 and I'm making this up -- she bought -- well, I
25 can give you an example. She bought plane

Page 134

1 tickets. We went to London with the family to go
2 see the designer. And my wife was very much
3 involved with the hotel with the designer who's
4 working -- she was really helping out, and
5 socially she was very connected in town, so it was
6 a good thing. And I know that when I went through
7 with the accounting --

8 MR. REINHART: Don't talk about what you
9 did your lawyers. But if you say you saw a
10 document, you want to describe a document, that's
11 fine. Just don't talk about what you discussed
12 with your lawyers.

13 BY MS. SPRINGER-CHARLES:

14 **Q And immediately after lunch I think I'm**
15 **going to introduce certain accounting documents**
16 **that you've provided, I think, that you can point**
17 **out specific examples, but you can tell me**
18 **generally now.**

19 A Well, generally, it would be if
20 something -- for example, my daughters, I didn't
21 want to pay it out of 160 because they had no
22 legitimate thing, and I was very careful about
23 keeping everything lined up where it was supposed
24 to go. And so when I went through with an
25 accountant -- can I say that?

Page 136

1 you would true-up what was supposed to be in the
2 right column.

3 BY MS. SPRINGER-CHARLES:

4 **Q And are you saying Jade did not do that?**
5 **She didn't true it up? What didn't Jade do, or**
6 **what did she do that she shouldn't have done?**

7 A I think -- I know when I went through
8 with my accountant, we trued it up. I don't think
9 Jade trued it up. Maybe she wasn't supposed. I
10 don't know. It was a little sloppy.

11 MR. REINHART: Specific -- again, if you
12 don't mind. Specific to the Palm House, but what
13 you're saying is certain personal expenses of
14 yours were paid out of the bank account?

15 THE WITNESS: Yeah.

16 MR. REINHART: And they were supposed to
17 be reconciled at the end of the year --

18 THE WITNESS: Right.

19 MR. REINHART: -- against fees and other
20 things that were owed to you by the project?

21 THE WITNESS: Right.

22 MR. REINHART: When you say due to, due
23 from, or true-up, is that what you're talking
24 about --

25 THE WITNESS: Yeah.

Page 135

1 MR. REINHART: Yes.

2 THE WITNESS: -- I was very careful to
3 make sure any things that weren't 160 went into a
4 separate file that were monies that were due to
5 me. Right.

6 So let's just say the tickets were
7 twenty grand and my daughter was four grand, I
8 made sure -- it might've come out of 160, but I
9 made sure there was a true-up on the other side,
10 so that the four grand was contributed to me
11 towards the fees. Does that make sense?

12 BY MS. SPRINGER-CHARLES:

13 **Q Okay.**

14 MR. REINHART: You used the phrase "due
15 to, due from". You and I -- I know what that
16 means, but why don't you clarify that for them.
17 When you talk about due to, due from, and a
18 true-up, what does that mean?

19 THE WITNESS: So if you have several
20 different LLCs, then they all end up -- you know,
21 it's a partnership return. It flows back to you
22 individually. So you would sometimes have the
23 accounting where this LLC paid for something and
24 then this other LLC paid for something. And then
25 at the end of the year, you would go through and

Page 137

1 MR. REINHART: -- personal expenses that
2 should've not been ultimately charged to the
3 project? It should've been charged to you
4 personally?

5 THE WITNESS: And it went the other way.
6 There was expenses that Bonaventure 22 paid, you
7 know, hundreds of thousands of dollars towards the
8 boat, and the boat was Palm House's boat. It
9 wasn't my boat. And those fees would've come
10 back, too. It went both ways.

11 MR. REINHART: Okay. And what was
12 Jade's -- back to Ms. Springer's question. So now
13 that you clarified that structure. What was
14 Jade's responsibility with regard to that, and
15 what did she do or not do that she should've done?

16 Is that -- am I clarifying your
17 question?

18 MS. SPRINGER-CHARLES: Yes.

19 THE WITNESS: Jade had complete
20 authority with everything. She was a signer -- I
21 wasn't even on the account. She was on every
22 single account, everything. I totally trusted her
23 one hundred percent.

24 She did QuickBooks. And all I'm saying
25 is, when I went through them with the accountant,

35 (Pages 134 to 137)

SEC_000663

Page 138

1 I found certain things that weren't trued up yet,
2 and maybe she was going to true it up. I don't
3 know. I mean, I know we talked about it. I don't
4 know if she ever did it or not.

5 BY MS. SPRINGER-CHARLES:

6 **Q We're just going to go with this**
7 **discussion since we're here. We're going to like**
8 **move ahead to this discussion.**

9 **My first question to you: You mentioned**
10 **that you were entitled to a developer and/or a**
11 **management, slash, admin fee; am I right?**

12 A Yes.

13 **Q Okay.**

14 **And that was a total of two point two**
15 **million dollars?**

16 A Yes.

17 **Q I saw the business plan. I saw the line**
18 **items. One says a developer fee of one point one**
19 **million, and then there's project admin, slash,**
20 **management, I think, or management or an admin fee**
21 **of another one point one million dollars. You**
22 **believe that you were entitled to both of those**
23 **fees, correct?**

24 A One hundred percent.

25 **Q Typically, when does a developer take**

Page 140

1 **were business plans that were attached to it. Some**
2 **of the information that you provided to David were**
3 **in that document.**

4 A Right.

5 **Q I saw the line item for developer fee.**
6 **If this was in another document, I'd appreciate it**
7 **if you can tell me what document that is. But**
8 **that's the only place that I saw those two line**
9 **items were in the business plan for how those**
10 **funds were going to be used, and there's the**
11 **developer fee and the project admin management**
12 **fee. I did not see a discussion about when you**
13 **were entitled -- or the developer was entitled to**
14 **take that fee.**

15 A Well, I don't think there was, but there
16 was really no secret, because I had that fee and
17 there was a brokerage fee built in at the closing
18 if I needed the money. We couldn't afford to take
19 it because we didn't have the money in. So I had
20 that fee built in upfront on this deal, but I
21 ended up not taking it and leaving it into in the
22 deal because we couldn't afford to take it out.

23 **Q Well, that's separate and apart from**
24 **this two point two, correct?**

25 A Yes, but I'm trying to answer --

Page 139

1 **his fee, like generally? You've been a developer**
2 **for many years, correct?**

3 A (The witness nods head.)

4 **Q When does a developer typically take his**
5 **fee?**

6 A I don't know what other developers do.
7 Some developers billed them upfront. Some
8 developers take them at the end. It was a really
9 low fee for the work. Remember, I spent three
10 years and ten months getting this hotel back. So
11 during the course of the project, they take their
12 fee. I don't know when exactly. I mean, in my
13 mind, it was due. There's no question. I've
14 taken them upfront before.

15 **Q Okay.**

16 **When I read this business plan, there**
17 **was no discussion about -- at least I didn't see**
18 **any, and if there's one there, I would appreciate**
19 **it if you could point me to it so that we have the**
20 **full lay of the land, but there was no discussion**
21 **about specifically when you were supposed to get**
22 **that --**

23 A Well, when you say business plan, what
24 are you referring to?

25 **Q The Palm House offering documents, there**

Page 141

1 **Q And I don't want to confuse -- okay. Go**
2 **ahead.**

3 A But I never got that fee, so -- what
4 they were supposed to pay at the closing. So I
5 took the one one, and I don't know how much I took
6 of the balance of the other one one. The other
7 one -- but there was never a discussion with me,
8 with Joe, with the PPM.

9 **Q I didn't see it.**

10 A Yeah. I mean, if the project was funded
11 fully in the beginning, I could've taken it day
12 one. I wasn't going anywhere.

13 MR. REINHART: But I think her question
14 is: Other than the documents -- are you aware of
15 any other documents where there's a timing aspect
16 to this fee?

17 THE WITNESS: No. No. No.

18 BY MS. SPRINGER-CHARLES:

19 **Q Did you and Joe discuss it?**

20 A I'm sure I discussed it, because it was
21 my lucky number twenty-two. So I'm sure it had to
22 be discussed.

23 MR. REINHART: But I think her question
24 was: Was it discussed when you would take it?

25 THE WITNESS: I don't remember if I

Page 142

1 discussed when I would take it. I mean, Joe lent
2 me money during the course of this. So there was
3 no secret that I didn't have any money. So I
4 don't think there was any surprise here.

5 BY MS. SPRINGER-CHARLES:

6 **Q In the past deals, did you outline in**
7 **the deal documents when you were going to take**
8 **that fee?**

9 A I mean, I'm working on a deal now. We're
10 talking about doing developer's fee and it was --

11 MR. REINHART: Answer her question.

12 BY MS. SPRINGER-CHARLES:

13 **Q What was the timing previously?**

14 A -- upfront on that one.

15 Previously, I don't know. I don't know.

16 **Q But this time that you're working on a**
17 **deal, you've discussed that you were going to take**
18 **this -- if it goes through, you're going to take**
19 **the fee upfront, correct?**

20 A Yes. Yes.

21 **Q Okay.**

22 **The project, slash, manager admin fee of**
23 **one point one million dollar, who typically gets**
24 **that fee, the developer?**

25 A Yeah. The idea was that I was going to

Page 144

1 or if they did it, or if I gave it. I have no
2 idea.

3 MR. REINHART: But to be clear, you just
4 said a second ago you looked at the PPM later.
5 Just clarify for them. When later?

6 THE WITNESS: When I started dealing
7 with you and Alan.

8 MR. REINHART: So after the money had
9 been raised?

10 THE WITNESS: Yeah. Just for the
11 record, I still never read that damn thing. I
12 just read that page.

13 MR. REINHART: I'm sure you'll get to
14 talk about the PPM later before we're done.

15 BY MS. SPRINGER-CHARLES:

16 **Q Who was Niklaus Leuenberger,**
17 **N-I-K-L-A-U-S, L-E-U-E-N-B-E-R-G-E-R? Who is**
18 **that?**

19 A He was the manager that Frank -- GM,
20 that Frank ended up hiring. He came from
21 Switzerland. A great guy. A big resume. A five
22 star guy. We got him an apartment. We got him a
23 BMW. I think maybe even health insurance. A high
24 powered manager for the hotel.

25 **Q Why wasn't he entitled to the one point**

Page 143

1 get two point two million dollars in a fee. You
2 can call it whatever you want to call it, but that
3 was the idea, and I was suppose to get it.

4 **Q This is just a general question. Like**
5 **if looking at a deal, I don't know your world, and**
6 **so I'm trying to understand.**

7 A Oh, I'm sorry. I apologize.

8 **Q If I look at some deal sheet, and**
9 **there's a line item for developer fee, and then**
10 **there's a separate line item for a project, I**
11 **guess, admin, slash, management fee, who**
12 **typically -- and this is a general question, who**
13 **typically gets that fee?**

14 A The developer.

15 **Q The developer?**

16 A Yeah.

17 **Q Why is it split out that way then?**

18 A It could've just been one fee for two
19 two and called it developer fee. I don't know. I
20 don't remember. I don't know who wrote it that
21 way. I just knew I wanted two point two and that
22 was all -- I can't tell you who wrote all those
23 things on the -- because I did look at the PPM
24 later, and I saw that list of stuff, but I don't
25 know where -- you know, if it was split that way,

Page 145

1 **one million dollar admin management fee?**

2 A Are you serious?

3 **Q I don't know. I don't know the world.**

4 MR. REINHART: She is asking a question.
5 She doesn't understand your world.

6 THE WITNESS: You would never pay a
7 general manager a development fee. Right. So he
8 interviewed bunches of people. And so the GM is
9 going to run the hotel. He came in early to help
10 us, how deep are the tubs, is it a five-fixture
11 bathroom, what are the patterns to be able to get
12 from this hotel as one wing and another wing. He
13 helped us figure out how to get underground and
14 have all back of house. When Glenn had the hotel,
15 he had like one elevator. Then we had six
16 elevators for the service. So he helped with
17 that -- what makes it a five star hotel, that
18 service that you have to put in.

19 BY MS. SPRINGER-CHARLES:

20 **Q Right. But I didn't ask about the**
21 **developer, because they're two different line**
22 **items, and that's why I'm trying to understand.**
23 **They're distinctly two different items. One says**
24 **developer fee, and so I assume the developer who's**
25 **listed as Palm House, LLC in the offering**

Page 146

documents, that's the entity that was entitled to the developer fee based on my reading of the documents. But then there's a separate line item for admin, slash, management fee. And what you're describing to me as Mr. Leuenberger's task sound like administrative management things.

A Yeah.

Q Is it different?

A Let me just help you with this. The intent was always to be a fee, and you can call it anything you want to call it. Okay. Niklaus was hired, I think, for maybe two hundred and twenty-five thousand dollars a year to be the general manager and was never going to be entitled to any kind of fees like that. He got his package, which would be health, car, apartment. I think moving expenses. You know, what you'd hire -- what you'd pay for a real executive to do it, but there was never any intent to pay him a project management fee. It's really -- the intent was always just a fee to come to me however you want to call it.

Q But why wasn't it just one line item, two point two million dollars to the developer?

A I cannot answer you that. I don't know

Page 148

that's -- the only way I came up with two point two was adding those two line items. So I figured that's what you were referring to. I still -- I guess last time I beat you with this question. Why were the fees separated that way?

A I don't know why. I don't -- you know, I really don't know why, except the idea was to equal one one and one one.

Q When does -- typically, when would a project administrator manager take his fee, his or her fee?

A To me, it was one in the same as a developer fee. You could've taken it upfront, you could've taken it at the back end, you could've taken it during, whatever you wanted to do.

Q Did you discuss with Joe when, you know, that portion of the two point two would be taken?

A I don't remember. I could've. Because I think in Joe's mind if I didn't take a fee, he would've lend me more money. So I don't think there were any issues. I don't remember specifically having the conversation, no.

Q Why was Niklaus hired by -- when I looked at the documents, he was engaged for two hundred and twenty thousand dollar salary, but it

Page 147

why it was done that way, but it was. I don't know who did it that way.

Q I'm going to represent to you, and we'll look later that I've seen emails where David Derrico sent you the business plan, and you said, this is the first time I'm seeing it -- I think it was January of 2013 -- I'm going to take a look at it, and I'll get back to you, I guess, with comments maybe. And we'll get to it. Did you look at it then?

A No. And I don't think -- David sent me emails on that, I think, because I wanted to review them before he came here. I think he had like forty-one or forty-six emails, and he asked me for stuff, and I gave him the stuff originally of what I saw the deal as, which was the construction, money, soft cost money, the acquisition of a hotel. That was it, those items, what I gave him. What they did with it? Who knows. They had their own mind what they did with it.

Q I guess because it was you, I think, who initially -- I learned from you that there's a document that says that were you entitled to this two point two million dollar developer fee, and

Page 149

was by HIG Acquisitions, LLC. Why not directly by 160 Royal Palm or Palm House?

A I think Frank wanted to do it that way, so to insulate the hotel from lawsuits and all that just to keep it separate.

Q The developer, based on the offering documents that we have, is Palm House, LLC, not Bob Matthews. It's Palm House, LLC. Gerry Matthews owns ninety-nine percent interest. Ryan Black owns one percent interest. Why would you be entitled to the full two point two million dollars, you personally?

A Because I was the developer. It was my deal. I owned it back in '06. I spent three years and ten months fighting to get it back. I went in there when the other guy owned it, Glenn, and helped layout the bathrooms. I'd sneak in and help lay it out knowing either, A, I was going to be able to buy it back someday, or, B, I was helping this guy who didn't know what he was doing to do a five star hotel. So I don't know what the documents said, but there's no question in my mind I was the developer.

Q Was Ryan, as one percent owner of Palm House, entitled to any portion of the two point

Page 150

1 **two million dollar fee?**

2 A No. His deal was two hundred and twenty
3 thousand dollars for his one percent.

4 **Q Okay. So I understand you took the one**
5 **point one million dollars of the two point two to**
6 **Bonaventure. It went over to Bonaventure. I**
7 **think it may come from 160 Royal Palm's bank**
8 **accounts. The other one point one million, how**
9 **did you take that?**

10 A I don't know, but it -- part of it
11 would've been the due to, due froms on things that
12 I took. And I don't know if I even took the
13 balance of it.

14 **Q How much of it do you believe you took?**

15 A I have no idea. I mean, maybe they owe
16 me six or seven hundred thousand dollars. I don't
17 know.

18 **Q Palm House acquired 160 Royal Palm's**
19 **membership interest on August 30th, 2013. Funds**
20 **that you took prior to this date, did you take any**
21 **funds as part of your developer fee prior to this**
22 **date?**

23 A No. I had loans that Joe lent me, yes,
24 but no developer fees.

25 **Q No developer fees.**

Page 151

1 **But anything that you took prior to**
2 **that, you would classify as loans from Joe?**

3 A A hundred percent. Yes, a hundred
4 percent.

5 **Q Either from 160 Royal Palm's bank**
6 **accounts, Palm House PB's bank account, or Les**
7 **Evans's trust account?**

8 A Yeah. Typically, he would send it --
9 the way it worked is that Joe emailed Les Evans,
10 and somewhere in there, there's an email with me
11 to Les Evans saying, Dear Les, you know, please be
12 advised that some of this Joe's personal money and
13 some of it, I believe, is other money. And so I
14 insisted that Joe would send an email to Les
15 because it was his money.

16 **Q Let me just wrap up with Jade Yu to make**
17 **sure I ask the questions that I need to ask, and**
18 **then I think we can do lunch.**

19 **Each time Jade -- how did you tell Jade**
20 **what you needed her to do on behalf of 160 Royal**
21 **Palm or Palm House or any of the entities that you**
22 **fundamentally controlled? How would Jade know**
23 **what to do?**

24 A Hey, Jade, could you go do a blah, blah.
25 She sat next to me. So I would leave the door

Page 152

1 open, and we would talk.

2 **Q Okay.**

3 **Any other way? Would you sometimes**
4 **email her or call her?**

5 A I'm sure I emailed her. I'm sure I
6 called her. I'm sure I did all those things.

7 **Q Each time Jade executed or directed the**
8 **execution of a transaction into or out of 160**
9 **Royal Palm's bank account, it was at your**
10 **direction either specifically for that transaction**
11 **or generally?**

12 A True.

13 **Q Okay.**

14 **Same question for Palm House PB, PB's**
15 **bank account?**

16 A I didn't know Palm House PB had a bank
17 account.

18 **Q I'll just represent that I think that**
19 **there were many transactions executed out of that**
20 **account for the boat, for transactions related to**
21 **the boat.**

22 A Oh. Jade used it for the boat. You're
23 right. I'm sorry. Yes.

24 **Q So is the answer yes?**

25 A Yes. Yes.

Page 153

1 **Q Okay.**

2 **And same question for Les Evans's trust**
3 **account?**

4 A Yes.

5 **Q Okay.**

6 **Each time Jade requested funds from Joe**
7 **Walsh or Tony Reitz, was it at your direction?**

8 A Yes. Like I said, she would do it on
9 her own or -- but she had the authority to do it.

10 **Q From you?**

11 A Yes.

12 **Q Okay.**

13 **MS. SPRINGER-CHARLES: I think that**
14 **might be it for me. Let's break for half an hour.**
15 **(Whereupon, at 12:07 p.m., a luncheon**
16 **recess was taken.)**

17 **AFTERNOON SESSION**

18 **(Mr. Busto is present in the room.)**

19 **MS. SPRINGER-CHARLES: We're back on the**
20 **record at 12:49 p.m. on January 31st, 2017.**

21 **BY MS. SPRINGER-CHARLES:**

22 **Q Mr. Matthews, did you have any**
23 **substantive discussions with any members of the**
24 **staff while we were off the record?**

25 A No.

Page 154

Q I believe Mr. Reinhart wanted you to clarify your response concerning Mr. Leuenberger's role as managing director of the hotel.

A Right. I just wanted to clarify, so that it was clear that he was going to be the general manager. So when you were talking about why didn't he get that fee before. So he was the general manager of the hotel that was going to run the hotel once it opened. And then he was there early before it opened to advise on how to do back of house issues and how deep the tubs are and whether it's a five-fixture bathroom and all those things.

So I just wanted to make sure you knew that he wasn't really doing -- running the deal at all. He was just going to be the general manager of the hotel as his job. He wasn't qualified to do what I do.

Q Typically in hotel deals, is the developer the person who does the administration and the management of the project while it's being built or --

A Chief bottle washer. The developer does -- I mean, you bring good people around you. That's the idea. So you get somebody good with

Page 156

somebody comes in with his suitcase, you'd never see the suitcase again. The next time you see it, it's in your room going through one of the six elevators that we were putting in for seventy-nine keys, which is a lot of elevators for seventy-nine keys. So I just wanted to make sure you got the difference. That's all.

Q I did. I hate to beat a dead horse. I just -- I don't understand why there were two line items, one for the developer, right, which to me would encompass all the things you just said, and then one separately for project administration, slash, management. I still don't think I appreciate why there were two line items.

A And I understand that's your question, and I just have to tell you that in my mind, it was really simple. There was a two point two million dollar fee, and you could've called it chief, cook, and bottle washer. You could've called it whatever you wanted, but that was it. But I was trying to help you with the question about, well, how come Nicklaus didn't get it? Where he would never -- he wasn't that guy. That's really what I was trying to tell you.

Q And just to close this, there is no

Page 155

the construction. You get a good GM. You put smart -- you get a good designer. I went to London to get a great designer. So you put really smart people around you. But at the end of the day, as they say, you only have to work half a day, and God even let's you pick which twelve hours.

So you're everything, getting it approved, having to go in and get twenty-four variances, having to go through the architectural prints, very anal detail on every single finish so every color, every piece of marble, every -- every single item that when you would walk into a hotel, what would happen? It's almost like a movie set where you'd walk into a hotel and there's this set, and then the actresses and actors are going to come in and you're going to come in, so you have this experience. That's if you're doing a good hotel, that's what you want. You want to come in and have an experience. So it's a very anal organized thing where Nick was just going to be one little part of that. He was going to be the guy at the end where you hand him the baton, and then he runs the day-to-day, does the front of the house, back of the house, makes sure that when

Page 157

other agreement that memorializes the fact that you were going to get the two point two million --

A No. And there's no agreement, you're right.

Q Who is Leslie Robert Evans and what is your -- well, first, who is he?

A He's an attorney in Palm Beach.

Q What is your relationship to him or with him?

A He's one of the -- I believe one of the first attorneys I met when I moved to town, and he's also a friend.

Q When did you first meet him, like when did you first move to town?

A I don't -- I want to say maybe ten years ago, twelve years ago.

Q And how did you meet him?

A I have no -- I don't recall.

Q What was your relationship with his law firm?

A He represented me on some things. He had the account that Joe sent money to. He's done some closings for me.

Q Why were things set up such that the funds were sent to either -- well, that some of

Page 158

1 **the funds was sent to Les Evans's trust account?**

2 A I don't know -- I don't know -- was it
3 a -- I didn't know it was a trust account.

4 **Q Well, an account, an account held in the**
5 **name of Robert Leslie Evans & Associates, PA.**

6 A I don't know, because -- it's
7 interesting. I thought the same thing when I was
8 going through emails. Is because sometimes Tony
9 would send money directly to 160 and sometimes he
10 would send it to Les. I think it's because in the
11 beginning the money before we did the Palm House
12 that I said was the email I sent to Les I told you
13 about saying it's personal money and it's other
14 monies, that Les had the account -- I think they
15 stuck with it. I think Joe just left him on to
16 sort of stick with that, because he was -- because
17 as Joe sent money to him -- remember, Les started
18 getting money way before we owned the hotel, and
19 Les -- Joe sent emails to Les, and Les lent me
20 money -- Joe lent me money through Les. I think
21 he just left it there. I think it was a place to
22 put the money. I didn't have any accounts in my
23 name. I still don't. So I think it was just a
24 place to put the money.

25 **Q What money?**

Page 160

1 Walsh's account.

2 **On April 14th, did you have any funds**
3 **with Les Evans?**

4 A Not that I know of.

5 **Q Why weren't the funds that were, you**
6 **know, met for the construction and development and**
7 **renovation of the hotel, why weren't they sent**
8 **only to 160 Royal Palm's account or only to Palm**
9 **House, LLC's bank account?**

10 A I don't know. You'd have to ask Joe
11 that. I really don't know. That's what I just
12 said. Because I remember some funds came directly
13 to 160 from Tony Reitz, and Tony sometimes sent
14 money to Les. So I really don't know why.

15 **Q Well, you said Jade never really did**
16 **anything absent your direction, and I've seen**
17 **emails --**

18 A True.

19 **Q -- where Jade will specify where she**
20 **wanted the funds to go, either can you send**
21 **X-amount of dollars to Les Evans's account, and**
22 **there are times where she'd say, can you send**
23 **X-amount of dollars to 160 Royal Palm's account.**
24 **How would she know where to direct Tony or Joe to**
25 **send the funds?**

Page 159

1 A Joe's personal money and whatever money
2 from other businesses or EB-5, whatever he raised.

3 **Q Why wouldn't Joe just keep it with his**
4 **own companies?**

5 A I don't know. I know of one time that
6 Glenn Straub wouldn't do a deal unless he had
7 proof that a lawyer had money in an account. Glenn
8 was very fussy like that.

9 **Q Did Joe Walsh and Les Evans know each**
10 **other prior to you and Joe starting business?**

11 A No. They met through me.

12 **Q So then why did Joe place the money**
13 **there, his money?**

14 A I don't know.

15 **Q Did you hold any money that belonged to**
16 **you with Les Evans before this deal?**

17 A Yes.

18 **Q I'm going to represent to you, we'll see**
19 **it in the documents, that the first funds came**
20 **over from Craig Galle's account in April of 2013**
21 **into Les Evans's trust account. The day before**
22 **that, April 14th, I think, because I think it was**
23 **April 15th of 2013, I saw three million dollars**
24 **coming from Craig Galle, and if I trace that money**
25 **back, I think I traced it back to one of Joe**

Page 161

1 A I don't know the answer to that
2 question. The only thing I can think of, it went
3 directly to 160, it could be that we needed money
4 immediately to get money to Nick, because he was
5 usually behind on the construction funding. But I
6 don't know why she would go to Les or why she
7 would go to -- I thought she always just sent it
8 to go to Tony.

9 **Q Did Palm House, LLC ever have a bank**
10 **account?**

11 A I believe you told me Palm House PB did.
12 I don't know if LLC did.

13 **Q Yeah. I'm asking about LLC.**

14 A I don't remember one.

15 **Q If that's the borrower, why didn't that**
16 **entity have an account set up, a bank account,**
17 **where the funds went into? Why would it go**
18 **through 160, who I know is the entity that**
19 **actually owned the hotel, but it wasn't the**
20 **borrower? So why didn't the money go directly to**
21 **the borrower?**

22 A When you say borrower, you mean the
23 document that Ryan backdated and signed, that?

24 **Q Right.**

25 A So in my mind, 160 owned the property

41 (Pages 158 to 161)

SEC_000669

Page 162

1 and --

2 **Q The loan was being made to 160?**

3 A I don't know if it was 160 or -- I don't
4 know who it was made to. It was either 160 or
5 Palm House. I read this afterwards. But it
6 either went to one of these two entities.

7 **Q But this is your hotel, right? This is**
8 **your project. Why didn't you pay attention to**
9 **what documents were being executed to make the**
10 **loan?**

11 A Oh, I had like twenty-five companies,
12 and I didn't do the loan. Whatever the
13 original -- the piece of paper you showed me
14 before that had it, was it from Palm House or 160?
15 Whatever it was to was probably where the money
16 should've gone to. But in my mind, the building
17 was set up and owned the real estate was 160, so
18 the money went there. I didn't think it mattered
19 whether it went to Palm House or 160 because Palm
20 House owned 160, and I think 160 had an account,
21 and so that's why they did it. I don't think
22 there was any real reason.

23 **Q Did Les Evans ever transfer funds into**
24 **or have funds transferred into his account or**
25 **transfer funds out of his account absent direction**

Page 163

1 **from you, Jade, Walsh, or Tony?**

2 A I don't know. He could've, but I don't
3 think he would.

4 MR. REINHART: You mean funds related to
5 the Palm House project? Obviously, he had other
6 accounts.

7 MS. SPRINGER-CHARLES: Well, no. Only
8 the account that was associated with you and the
9 Palm House project. I don't know about any other
10 accounts. I'm not asking about any other
11 accounts. I mean, the funds that were related to
12 you and the hotel.

13 THE WITNESS: Yeah. I don't believe Les
14 would just sent money somewhere without somebody
15 telling him to do it.

16 BY MS. SPRINGER-CHARLES:

17 **Q Do you know if anyone else had**
18 **authorization to tell Les to move funds into or**
19 **out of the account?**

20 A I don't. Maybe Mark Payne could've had
21 permission from Joe, but I don't know for a fact.

22 MR. REINHART: Just one second to
23 consult with him.

24 THE WITNESS: Can we go back on the
25 record?

Page 164

1 MR. REINHART: We never went off the
2 record.

3 MS. SPRINGER-CHARLES: We never went
4 off.

5 THE WITNESS: Sorry.

6 MR. REINHART: But clarify your earlier
7 answer.

8 THE WITNESS: Yeah. To clarify my
9 earlier answer, Les Evans did move money at one
10 point without any authorization, yes.

11 BY MS. SPRINGER-CHARLES:

12 **Q Okay. And when was that?**

13 A I don't know. He borrowed -- as I said,
14 Les was a friend, and I remember he lent me once
15 eight, seven, eight years ago two hundred and
16 fifty thousand dollars, and I paid him back. Two
17 hundred and fifty thousand dollars, we didn't have
18 a note or anything. I know he borrowed some
19 money, I think, maybe four hundred thousand, I'm
20 not sure, but maybe around four hundred thousand
21 dollars, and he could've called me and asked me.

22 Actually, I don't remember if he did it.
23 I don't know if he did it, and then he told me, or
24 if he did ask me, could I -- actually, I don't
25 remember which way he did it. I was going to say

Page 165

1 he might've moved that money without me telling me
2 to do it, but I don't remember now if he really
3 did or he didn't.

4 **Q At some point you learned that he moved**
5 **that money?**

6 A Yes. Yes.

7 **Q When?**

8 A Because I remember seeing one of the --

9 **Q And we'll get to those, the Quick**
10 **reports.**

11 A I saw like an account, and it went to
12 somewhere, and I was like, what is that? It was
13 kind of like that.

14 **Q Okay. So shortly thereafter when you**
15 **saw one of the reports, you noticed that the funds**
16 **were moved and you discussed it with him?**

17 A Yes.

18 **Q And then he paid it back?**

19 A Yes. I was fine.

20 **Q You were fine with it?**

21 A Yeah. He's a good guy. In fact, he --
22 he -- if you ever chase the money all the way to
23 the end, Les actually paid two hundred and fifty
24 thousand dollars too much to Palm House. His
25 bookkeeper maybe wasn't perfect.

Page 166

1 **Q Who's Nick Laudano?**
 2 A He owns the New Haven Contracting South,
 3 LLC.
 4 **Q What is that entity?**
 5 A It's a construction company.
 6 **Q And is that the construction company**
 7 **that worked on the hotel?**
 8 A Yes.
 9 **Q How did you meet Nick?**
 10 A I don't recall.
 11 **Q When did you meet him?**
 12 A Between six and nine, ten years ago,
 13 somewhere between there.
 14 **Q Before you moved to Florida -- to Palm**
 15 **Beach, I should say?**
 16 A I had a house here, but I wasn't here
 17 full time. Yes.
 18 **Q Okay.**
 19 **Did you meet him in Connecticut, or you**
 20 **met him here locally in Florida?**
 21 A No. I believe I met him in Connecticut.
 22 **Q How did you end up entering the -- how**
 23 **did you end up entering into an agreement for him**
 24 **to work on the hotel?**
 25 A Well, he -- he worked on the hotel for

Page 167

1 me when I owned it originally. So I bought it in
 2 '06 for twenty-nine million bucks, wrote a check
 3 for ten, borrowed nineteen. It's the deal that
 4 blew me up, just so you know. And then he knew
 5 it.
 6 And then when I lost the hotel to
 7 Glenn -- Glenn Straub bought the note, did a
 8 foreclosure, Nicky was working for Glenn then for
 9 three years and, I think, ten months. So when
 10 this deal came up, it was just an obvious thing.
 11 He worked for me when I owned it. Then he worked
 12 for Glenn when Glenn owned it. So he knew where
 13 all the -- he knew the hotel like the back of his
 14 hand.
 15 **Q Did you and Glenn enter in some -- did**
 16 **Glenn agree to hold the hotel for you while you**
 17 **were able to repurchase it?**
 18 A Yes, he did.
 19 **Q Okay.**
 20 **What were the terms of your agreement**
 21 **with him?**
 22 A He never -- I don't know if you know
 23 Glenn, but Glenn's Glenn. I'll just leave it at
 24 that. But he never signed the deal. We had a
 25 deal signed. I don't remember, but it was

Page 168

1 something like he would buy the hotel and then you
 2 would buy it back, and he would make X-amount of
 3 profit.
 4 **Q Do you remember how much?**
 5 A No, I don't remember. No.
 6 **Q New Haven Contracting South was the**
 7 **general contractor for the hotel?**
 8 A Yes.
 9 **Q Did you have any ownership interest in**
 10 **that entity?**
 11 A No.
 12 **Q I'm going to show you a composite**
 13 **exhibit of documents. They're emails and**
 14 **attachments related to the A1A G Max contract**
 15 **associated with the construction of the hotel as**
 16 **Exhibit No. 157.**
 17 (SEC Exhibit No. 157 was
 18 marked for identification.)
 19 BY MS. SPRINGER-CHARLES:
 20 **Q I'm showing you what's been marked as**
 21 **Exhibit No. 157. And I'm just introducing this**
 22 **just to sort of jog your memory. But when was**
 23 **this contract that -- you know, the contract**
 24 **actually signed?**
 25 A When was the contract to do the work on

Page 169

1 the hotel?
 2 **Q The A1A contract, yeah, when was it**
 3 **actually signed?**
 4 MR. REINHART: Here.
 5 THE WITNESS: Sorry. Sorry.
 6 BY MS. SPRINGER-CHARLES:
 7 **Q And I'm going to tell you why. I think**
 8 **it will just speed things up. I notice that there**
 9 **was a working draft, and looking at the documents**
 10 **that you provided I saw that there was like a -- I**
 11 **saw maybe Nick was working on a draft in November**
 12 **of 2012, and I never saw an executed draft at that**
 13 **time. And then on or about January 8th, 2014, if**
 14 **you look through these emails is when I see that**
 15 **the ultimate contract that I see attached to all**
 16 **the civil lawsuits and used elsewhere, that's when**
 17 **it was signed, but it was signed, you know, dated**
 18 **2013. And I'm wondering when was it really**
 19 **signed, and if it was backdated, why?**
 20 A Well, I'm looking at the contract for
 21 nineteen five and --
 22 MR. REINHART: Give her the Bates stamp
 23 number there on the bottom for the record.
 24 THE WITNESS: Sorry. It's 38399.
 25 BY MS. SPRINGER-CHARLES:

43 (Pages 166 to 169)

SEC_000671

Page 170

Q Okay.

A And I thought it was -- I thought the contract was around in round numbers twenty-nine five, which five million on top of that counting Glenn's money that he put in because he bought the LLC. And I think this might've been when Glenn had it. So when I spoke earlier and I said when we originally did it, we had one elevator, and then when did the final, we had six elevators, so six elevator shafts, six separate cabs. You know, that's -- I don't know, a million three. And then we had all the office space downstairs.

So what happened was the contract changed because the scope of work changed and became -- what Glenn was going to do -- I don't want to be insulting, but let's just say it was a two star hotel, and what we were going to do was five star hotel. So we had to create back a house space where we created a whole walkway from one building to the next so that the people in the front wouldn't see, for example, when you dropped that suitcase off.

So I thought there was one -- the one I know is there's one signed, I thought by Les Evans on behalf of Ryan Black. That's the one that I

Page 172

way and this agreement that's attached to this last email, that's the one that I see attached to all the civil lawsuits that everyone is representing as the agreement, but it seems like it wasn't signed until 2014. Am I correct, or am I --

A I don't know. I mean, I would just chase the emails. If there's one of these with an email, that would be when. I don't really know date.

Q Yeah. The email is attached to the front of that last one. It's January 8th, 2014.

A I'm sorry. Let me just get there.

Q No. It's towards the back. It's right before the last agreement.

MR. REINHART: There you go.

THE WITNESS: This is to Kevin, GMP, 1/8/14. And -- I'm sorry. What's the question? When was it signed?

BY MS. SPRINGER-CHARLES:

Q Yes. When was it signed?

A Does it have a signature even on it?

Q There's a signature. There's no date. And that's my confusion.

A Oh, I don't know. Okay. I don't know.

Page 171

know about.

Q Right. And I think that's the one that you are looking at, correct?

A Oh, is it? I'm sorry.

Q Or is it the next one?

A Oh, there you go. Thirty-five seven, and that's on this document. I can't read the number.

Q Bates labels ending 7506?

A Right.

And I believe of that, about five million was money that they did to keep 160 clean, so that if Glenn spent four and a half, five million dollars, that the contract came out the right way.

Q My only question is: When was the contract signed?

A I don't know. I don't think I ever signed it, so I don't -- is there a date when -- I don't know when it was signed.

Q Because although it's dated on the front made of it, the agreement made as of the 22nd of January of the year 2013.

A Right.

Q The first time I see this executed this

Page 173

I assume it was sometime January 8th -- oh, that's when it was sent to him. I don't know when it was signed. I'm sorry.

Q But you see that there's a different agreement that was dated 9/1/13?

A I do.

Q So which one was the agreement? Which one was the real agreement?

A Well, I know this one included all of the other work, so I know this was the final one. I don't know if the other one was signed or if that was a draft. I really don't know. I can just tell you that the scope changed dramatically. I can tell you that a hundred percent.

Q Okay.

Was New Haven Contracting South ever -- did it ever not have a license to be able to do the work on the project?

A I don't know. I thought you had to get like a qualifier. I believe you had a qualifier. That was an engineer in Miami named Ray Rubio. I thought that was the qualifier for the license.

Q You'll have to explain to me. Because my question is only, was it ever -- did it ever not have sufficient licensing to be able to do

Page 174

1 **construction work on the hotel?**

2 A I don't know. As far as I know, he
3 always had a license, but he could've let it
4 lapse. I really don't know.

5 **Q Why do you say he could've let it lapse?**

6 A Because I'm not sure. I don't know the
7 history of his license, so I don't want to say
8 something wrong. So I'm saying -- the way you're
9 asking the question, I'm trying to be careful. If
10 it lapsed for a week or something I don't know
11 about, I don't really know if he did or didn't.

12 **Q What were you trying to explain to me**
13 **about Ray Rubio?**

14 A Ray Rubio, I believe was the qualifier
15 for the license. Every GC license has to have a
16 qualifier. So New Haven Contracting was a
17 construction company that had the contracting
18 license, but then there's an individual that has
19 to be the qualifier. That's all I know.

20 **Q Okay.**

21 **How much total funds did you receive**
22 **from Joe Walsh or any of his entities between,**
23 **let's say, November 2012 and the time the receiver**
24 **was put in place?**

25 MR. REINHART: Can you just clarify.

Page 176

1 MS. SPRINGER-CHARLES: Yes.

2 MR. REINHART: So what his profit margin
3 was?

4 MS. SPRINGER-CHARLES: Yes.

5 THE WITNESS: Counting the contract with
6 self-funded work, included or not?

7 BY MS. SPRINGER-CHARLES:

8 **Q Of the money you sent to him**

9 A Right, but just to be clear, Nick
10 Laudano had a contract, and in that contract, he
11 also -- he was allowed -- let's just say we're
12 going to build an elevator shaft, and you would
13 get three bids from you three guys -- two ladies
14 and a guy, and the bid was a hundred thousand
15 dollars. Nick always had the right to self-fund
16 and bid that job below the hundred, whatever,
17 ninety-nine nine. He always had a chance to match
18 the lowest number and bid it. And so he had guys
19 working for him. And if he's paying a laborer, I
20 don't know whatever he's paying a laborer, twenty
21 bucks an hour, he made money on that part of the
22 job that he self-funded besides having a GC --
23 besides having the fee.

24 **Q Okay.**

25 A So, for example, they just came in the

Page 175

1 When you say you, do you mean him personally or
2 the entities or both?

3 MS. SPRINGER-CHARLES: You, 160 Royal
4 Palm, LLC or Palm House, LLC.

5 THE WITNESS: I don't know exactly. I
6 would guess somewhere around thirty-four million.

7 BY MS. SPRINGER-CHARLES:

8 **Q How much of those funds did you send to**
9 **either Nick Laudano, New Haven Contracting South,**
10 **or any of Nick's other entities?**

11 A I don't know. We don't have a
12 breakdown.

13 **Q About how much do you think you sent**
14 **over? You don't have to be perfectly right, but**
15 **what do you think?**

16 A Between fifteen and twenty million
17 dollars, if I was guessing.

18 **Q Do you know how much of those funds he**
19 **used on the construction of the hotel?**

20 A How much he used?

21 **Q Yes.**

22 A I don't know.

23 **Q Do you have a guess, an educated guess?**

24 MR. REINHART: Are you asking like what
25 his cost were, Mr. Laudano's costs were?

Page 177

1 hotel and did some work, Hedrick Brothers, and
2 they billed out the builders, I believe, for like
3 fifty or fifty five dollars an hour or something
4 for the laborers. Hedrick Brothers didn't pay
5 that laborer fifty dollars an hour. He might've
6 paid him -- I don't know, twelve or fifteen or
7 some amount of money.

8 So what he actually made, I don't know.
9 I mean, if I were guessing with the self-funded
10 work, I'm guessing five million dollars maybe. I
11 don't know. If he got paid twenty, let's say
12 twenty percent. Yeah, probably somewhere in
13 there.

14 **Q He used about five million dollars of**
15 **the funds that you sent over, is that what you're**
16 **saying?**

17 A Well, I'm guessing he made at least five
18 million dollars on the job.

19 **Q He made five million?**

20 A Yeah. That's my guess. I don't know,
21 but I'm guessing. I mean, because the self-funded
22 work he did well with. He had, I think,
23 eighty-four guys on the job at one point.

24 **Q So he made about maybe about --**

25 A Maybe. I'm just guessing on if I were

45 (Pages 174 to 177)

SEC_000673

Page 178

1 doing the job when I had a contractor's license. I
2 used to have a construction company. I'm just
3 thinking where my head would be. That's all.

4 **Q Well, during that period of time when he**
5 **started doing work for you once you acquired the**
6 **hotel, did he not send you over any bills or**
7 **showing how the money was being used?**

8 A Yeah. He would have an AIA, but just so
9 we're clear, I totally trusted Nicky like a
10 hundred percent that he would never hurt me in any
11 way. So he would have an AIA with a schedule,
12 which you should have attached to here. Let me
13 just see. Yeah, but they don't have it.

14 **Q Maybe it wasn't attached to this**
15 **particular email.**

16 A You see this page? There's a second and
17 third page.

18 **Q Okay.**

19 A And on the second page, it would say
20 what the -- it would have the scope of work of
21 every single line item.

22 **Q Okay.**

23 A And then it would say -- it would say --
24 I'm making this up. Let's just say the spa, I
25 think, that was a plug item for like two million

Page 180

1 paper, seventy-five percent. And so we needed --
2 I'm making this up -- nine million six, and we
3 went to a closing with like five or something. So
4 we went into this behind the ball, and we're
5 trying to catch up throughout the project.

6 MS. SPRINGER-CHARLES: I'll ask the
7 Court Reporter to mark a copy of this composite
8 exhibit. It's some September 2014 emails
9 regarding the Palm House as to date as Exhibit No.
10 158.

11 (SEC Exhibit No. 158 was
12 marked for identification.)

13 BY MS. SPRINGER-CHARLES:

14 **Q I'm showing you what's been marked as**
15 **Exhibit No. 158. Looking at Exhibit No. 158 --**
16 **hold on.**

17 MS. SPRINGER-CHARLES: Can we go off the
18 record for one second.

19 (A brief recess was taken.)

20 MS. SPRINGER-CHARLES: We're back on the
21 record.

22 BY MS. SPRINGER-CHARLES:

23 **Q Mr. Matthews, did you have any**
24 **substantive discussion with any members of the**
25 **staff while we were off the record?**

Page 179

1 dollars. So it would say, spa, two million -- we
2 didn't do the spa, so that's not a good example.

3 Concrete work, adding the floor,
4 something, and it would say -- let's just say it
5 was an item of two million, then it would say,
6 work completed to date three hundred thousand, and
7 then work requested in this thing a hundred and
8 fifty thousand dollars. So he kept a schedule,
9 and he sent in a schedule. I mean, I don't know
10 where they are, but I know he did it.

11 **Q Right.**

12 **How did you know when to send him funds?**

13 A He would ask me for money. Yeah. He
14 was -- I told you before, he was behind a lot
15 because Joe would squeeze the money, and he would
16 send me emails. You would see them in the files
17 that said, hey -- he even sent emails to Joe
18 sometimes, hey, Joe, please help, you know, I've
19 got eighty-five guys running, let's go.

20 I mean, you have to remember we ran this
21 thing -- we went into it when we bought it with
22 negative money. We didn't have enough to buy it.
23 So we went to a closing for roughly thirty-seven
24 five, and we needed twenty-five percent because
25 was the -- that's what Glenn would take back in

Page 181

1 A No.

2 **Q Looking at these documents, can you tell**
3 **me what these emails are about, first of all?**

4 A I don't know, because I don't recognize
5 them.

6 **Q You were cc'ed on the first -- I think**
7 **you were probably including on all of these emails**
8 **if I'm showing --**

9 A I totally believe you that I was. I
10 just don't recognize it. So I'm trying to
11 understand what it is.

12 **Q Okay.**

13 A It's from Frank Orenstein to Ed Miranda.
14 And so he's saying these are the numbers. So it
15 looks like he's saying that before September 31st
16 thirty-six million was spent. I assumed
17 twenty-nine million when I bought the hotel and
18 another seven million. And then he's saying --
19 okay, twelve million dollars.

20 **Q Was that a true statement at that time**
21 **as of that date?**

22 A I don't know, because it's really
23 confusing. Because is he talking about from when
24 I owned the hotel, or from when Glenn owned the
25 hotel?

Page 182

1 **Q Well, I was hoping you'd tell me.**

2 A Yeah. I don't -- I don't -- I don't
3 know. Oh, cost prior to September -- there you
4 go. Cost prior to 2012, twenty-two. So when I
5 bought it at twenty-nine, and I spent twenty-two.
6 It looks like to have that amount of money,
7 eighty-one, he's counting all the cost is what I
8 think he's doing.

9 **Q Okay. So what does the twelve --**
10 **construction cost subsequent to purchase, what**
11 **does that represent, the twelve million dollars?**

12 A Oh, this is for the land, too. I'm
13 guessing, I'm thinking it's before it was bought
14 by -- before we bought the membership interest.
15 I'm assuming that's what it is. Before we bought
16 it from Glenn. Because if you read it, it says --

17 **Q Because if you look at it, the cost to**
18 **purchase the property on September 1st, 2013,**
19 **right?**

20 A Right.

21 **Q And that was about the price that you**
22 **paid Glenn?**

23 A I think it was thirty-seven five, but
24 yes.

25 **Q Right, about.**

Page 184

1 twelve million the first year. I don't know. I
2 don't know what we spent. But it makes sense that
3 we could've spent twelve million dollars the first
4 year.

5 BY MS. SPRINGER-CHARLES:

6 **Q After September 2014, did you provide**
7 **Nick with anymore funds towards the construction**
8 **of the hotel? And to like put everything in**
9 **context, October is when, I think, Ryan was**
10 **removed as the managing member.**

11 A I believe I spent whatever money we had
12 left on construction to the very end to keep it
13 going. I don't know the exact dates, but --

14 **Q Okay.**

15 MS. IVORY: So if we take a look at the
16 page Bates stamped ending in 4756, it looks like
17 these numbers were to be presented to Pujani?

18 THE WITNESS: Oh, okay. Pujani, an
19 Indian guy. Yeah. Yes, I know what this is. This
20 is -- this is Frank trying to do a take out and
21 get money for that piece, that I don't know when
22 that piece was bought. If I knew the date that
23 land behind the hotel was bought, it would help
24 me.

25 BY MS. SPRINGER-CHARLES:

Page 183

1 **Then there's construction cost**
2 **subsequent to purchase?**

3 A True. But if you go to the next line,
4 and you see this, it says, cost prior to 2012.

5 **Q Right.**

6 A So I think maybe he's saying Glenn spent
7 twelve, and he's saying I spent twenty-two when I
8 owned it. Do you see what I'm saying? That's
9 what it looks like he's saying.

10 **Q But then there's another line, cost**
11 **price to purchase 2013. And if you go up to the**
12 **next --**

13 MR. REINHART: Just look at the date.
14 This is September 9th, 2014. This is a full year
15 after you've bought it.

16 THE WITNESS: Oh, I thought it was at
17 the closing. Sorry.

18 MR. REINHART: You closed August 30th --

19 MS. SPRINGER-CHARLES: 30th.

20 MR. REINHART: -- 30th, 2013. This is a
21 year later.

22 THE WITNESS: Okay. I'm sorry.

23 MR. REINHART: So does that refresh you
24 as to what that twelve million might be?

25 THE WITNESS: I mean, we could've spent

Page 185

1 **Q 149 Brazilian?**

2 A Yes. Well, it looks like it was before,
3 because it says, phase two land purchase, six
4 million, five eight, plus closing costs. So he
5 knows the purchase price. So let's just assume it
6 was before this. So he was trying to get a loan
7 for ninety -- I don't know. How much was he
8 trying to get a loan for?

9 **Q It looks like you received funds -- a**
10 **loan on 9/24/2014 from the DP, I think, at that**
11 **point.**

12 A On 9 what?

13 **Q 9/24/2014.**

14 A And this is 9/10?

15 **Q Right.**

16 A Okay. So we didn't close on it yet. I
17 was wrong. So I don't see the request, but Pujani
18 was a high net worth investor that Frank knew, and
19 he was trying to get money from him.

20 **Q Okay.**

21 A Oh, there it is right there, a fifty
22 million dollar loan presentation.

23 MR. REINHART: So you're looking at the
24 one ending in 272. I think that's what Mr.
25 Matthews is referencing.

Page 186

1 MS. SPRINGER-CHARLES: Okay.
 2 MR. REINHART: Does that refresh your
 3 recollection about what the deal was that you were
 4 discussing with the Pujari group, what they were
 5 going to do?

6 THE WITNESS: Frank was trying to get
 7 the money from some guy in Toronto, and I don't
 8 really remember. I think it was for doing phase
 9 two. You know, Joe didn't come up with anybody
 10 after he did the presentation and everything, and
 11 I think that's what it -- that's the only thing I
 12 can think of.

13 MS. IVORY: Is it -- did Ed Miranda
 14 compile the numbers for this financial
 15 presentation?

16 THE WITNESS: Probably. Ed was Frank's
 17 right-hand guy. In fact, worked for us at one
 18 point.

19 MS. IVORY: Okay.

20 Because when we go back to the page
 21 Bates stamped ending in 4756, it had a total
 22 development cost to date of forty-four million,
 23 two hundred and eighty-five thousand, nine hundred
 24 and sixty-eight dollars.

25 THE WITNESS: Okay.

Page 188

1 with something. I really don't know. Who did
 2 this QuickBooks? Who did this QuickBooks?

3 MS. IVORY: When we look at her emails,
 4 it looks like Jade Yu provided Ed Miranda with
 5 this information, but the email refers to -- I'll
 6 go back to the email, which pretty much says that
 7 he compiled the numbers.

8 THE WITNESS: Well, just to pick one
 9 example, 6670 says professional fees contractor,
 10 and it says thirty-nine nine forty.

11 MS. IVORY: Okay.

12 MR. REINHART: Thirty-two nine forty.

13 THE WITNESS: I'm sorry. Thirty-two
 14 nine forty. And there's no way that thirty-two
 15 nine forty was paid, unless there were other fees
 16 in there. That seems high. Because you asked me
 17 to guess before. It wasn't thirty-two.

18 BY MS. SPRINGER-CHARLES:

19 **Q Well, let's keep turning the pages. It**
 20 **looks like there's a trial balance. It's further**
 21 **broken down into different periods. And it's not**
 22 **Bates labeled, so I can't give you a Bates label**
 23 **number. But here, you're on the right page.**

24 A Oh, you're kidding. You don't want me
 25 to try to read those numbers, right?

Page 187

1 MS. IVORY: And if you turn to the page
 2 Bates stamped ending in 4276. Yes. It's a
 3 QuickBooks trial balance as of September 5th,
 4 2014.

5 THE WITNESS: Okay.

6 MS. IVORY: The total expenses, per this
 7 QuickBook report, matches that total development
 8 cost to date. The only question that I have is:
 9 When I compare this QuickBook report to one that
 10 was maintained by Jade Yu, I notice that some of
 11 the headers are different for the general ledger
 12 account numbers. So, for example, I don't see
 13 where the development fee was taken here, the
 14 originally one point one million dollars, and this
 15 is as of September 5th, 2014.

16 Do you know if there's a specific reason
 17 why it wasn't listed as a general --

18 THE WITNESS: So are you telling me that
 19 the developer fee was taken before September 5th,
 20 2014?

21 MS. IVORY: Yes.

22 THE WITNESS: Okay. And why doesn't it
 23 say developer fee?

24 MS. IVORY: Yes.

25 THE WITNESS: I imagine it's lumped in

Page 189

1 **Q Well, I think there's an ending balance,**
 2 **which was -- for a contrast, about twelve point**
 3 **two million dollars. Then there are expenses**
 4 **1/1/13 to 8/31/13, about three point five million**
 5 **dollars. And then expenses through 12/31/12,**
 6 **seventeen point three million dollars. And the**
 7 **total is that thirty-two million dollar number**
 8 **that you refer to. So we're just trying to**
 9 **understand what you were trying to --**

10 A I wasn't trying to do anything. I can't
 11 tell you about this one. I'm not a trial balance
 12 guy. I don't know accounting. I mean, if you ask
 13 me about the hotel and why the cost went up, I can
 14 tell you about the -- I can tell you those kinds
 15 of things, but I don't know this stuff, what
 16 this -- I don't even know what a trial balance is.

17 **Q You were talking before about the AIA**
 18 **and that Nick would give you these printouts of**
 19 **AIA. If you look to the next page, is this what**
 20 **you're referring to?**

21 A Yeah, but it doesn't look --

22 **Q 10/25/2014, it's a spreadsheet attached**
 23 **to that.**

24 A That's not what I was saying. That's
 25 the next page, I believe. There's one that is --

Page 190

1 it would be like that page if you can see.

2 **Q The page that's Bates labeled ending**
3 **22545?**

4 A Yeah. It would be like this page, and
5 it would be all the way down, and it would have
6 more than those amount of things.

7 **Q Okay.**

8 A It would have maybe twenty-five things,
9 but it would be like that. It would be more
10 completed. Then there would be a number. And
11 then it would be total completed and stored, and
12 then balance to finish.

13 **Q Okay.**

14 A So it would be like that one where it
15 says side work. Exactly like that.

16 **Q Do you know how I should read this**
17 **document? Again, I'm not from your world, so if**
18 **you can help me. How would I read the page that's**
19 **Bates labeled 2254?**

20 A Can I just see it for a minute? So this
21 is, I believe, the second page of the AIA.

22 **Q Okay.**

23 A The third page has this thing on it.

24 **Q Okay.**

25 A It's just a three-page document. It's

Page 192

1 the back of house space, all the offices
2 downstairs. You rip out -- for example, there was
3 a pool that Glem did shaped like a woman's
4 anatomy. I'll just leave it at that. And it was
5 vulgar. And we ripped out the pool and did a new
6 pool. So that would be in there as a change order
7 from the pool.

8 So the way you read this is, they're
9 saying here, there's thirty-five seven fifty is
10 the original contract price.

11 **Q So let's start with the date. So it**
12 **says period two, and there's a date here, 1/31/14?**

13 A Yeah, 1/31/14.

14 **Q Okay.**

15 A So they're saying that the original
16 contract was thirty-five seven fifty to do this
17 scope of work. If there were any change orders,
18 they should be over here on the left because they
19 add them in. Then they say, total completed and
20 stored to date is five million seven. If you want
21 to know what the five million seven is, you just
22 flip the next page and there should be a line here
23 that says, total completed and stored to date.
24 This doesn't say five seven, but this isn't right.
25 It's says fifty-three thousand --

Page 191

1 architectural blah, blah, blahs. It's a
2 certificate for the work that was completed.

3 THE WITNESS: What is it?

4 MR. REINHART: Page one, page two.

5 BY MS. SPRINGER-CHARLES:

6 **Q So how should I interpret this? How**
7 **would you --**

8 A So first of all, on your left, they
9 should put in the change orders, right? Every job
10 had change orders.

11 **Q Okay.**

12 A I mean, this job had two, two and a half
13 million of change orders.

14 **Q What does that mean?**

15 A So a change order is that, I hire you to
16 do this, and then what happens is you have to
17 do -- I hire you to do X, and you have to do Y.
18 Okay. So I hire you to build this elevator shaft
19 and put this elevator in. And then I say, oh, I
20 want gold on the side, special lights and whosey
21 jiggies. And so it becomes something else, or the
22 scope of work becomes something else. Right.

23 So I hire you to do this basic design.
24 And then what happens is, you don't do that
25 design. You do a five star hotel and you do all

Page 193

1 **Q I guess if you keep going.**

2 MR. REINHART: If you keep flipping --

3 THE WITNESS: Oh, okay.

4 MR. REINHART: -- to page four.

5 THE WITNESS: Five seven.

6 BY MS. SPRINGER-CHARLES:

7 **Q Okay.**

8 A Okay. So there's the five seven. That
9 should tie out.

10 **Q Do I read that to mean that as of**
11 **1/31/14, the five point seven million was spent on**
12 **the project? Is that how I should -- in layman's**
13 **terms --**

14 A Yes, that's how you should read it. The
15 only trick is on this one, it's very confusing
16 because we didn't do a property purchase. We did
17 an LLC purchase. So the only thing is, I believe,
18 there was about four and a half, and I'm going
19 from memory, it could be five and a half, but
20 around four and a half to five and a half million
21 dollars worth of work that was in the AIA that was
22 already done under when Glem owned 160.

23 **Q And would it be included in the five**
24 **point seven million?**

25 A I don't know. I don't know. I just

Page 194

1 know that I remember that quagmire of that thing.
2 I never understood why it had to stay there.

3 **Q Okay.**

4 A And then --

5 MS. IVORY: And if we can turn to when
6 you have --

7 BY MS. SPRINGER-CHARLES:

8 **Q Were you finished with -- you were**
9 **pointing --**

10 A I was just going to say, then the
11 balance should be whatever that balance is, plus
12 whatever those change orders are. That number
13 could go up.

14 **Q So the balance is how much?**

15 A Thirty million. At this point, it
16 should be thirty million to finish the hotel.

17 **Q To finish. Plus if there were**
18 **anything --**

19 A Change orders.

20 **Q Then you'd add that to the thirty**
21 **million?**

22 A Exactly.

23 **Q Okay.**

24 MS. IVORY: So we're going to turn to
25 the page Bates stamped ending in 4267. It's an

Page 196

1 the account descriptions?

2 THE WITNESS: No. And just to be really
3 one hundred percent clear, this was Frank
4 Orenstein with a friend of his. If they send it
5 to me -- to me, I'm reading it for the first time
6 today. I believe you that I got it, but I don't
7 even know why they couldn't, for example, would to
8 tell them about the FF&E. I don't really know. I
9 don't understand why.

10 MS. IVORY: So the FF&E numbers recorded
11 on the trial balance, the one we just spoke of
12 ending in Bates stamp 34276, so that thirty-two
13 thousand -- I mean, thirty-two million dollars
14 under contractor fees, that wasn't anything that
15 you discussed with him, the presentation, the
16 thirty-two million as contractor fee?

17 THE WITNESS: I honestly don't remember.
18 I don't really know -- I understand this looks
19 like a fifteen million loan presentation to this
20 guy in Toronto, but I don't really know what the
21 numbers are, other than when he says he saw the
22 cost for thirty-six million for the hotel, and
23 then they put in seven seventy-six. I understand
24 that. And the mortgage was twenty-seven four, I
25 can tell you that. I don't know why he wouldn't

Page 195

1 email to you from Ed Miranda, and it's titled,
2 Palm House Fifteen Million Long Presentation.

3 MS. SPRINGER-CHARLES: The date is 9/25?

4 MS. IVORY: It is 9/25/2014.

5 THE WITNESS: Okay. I've got it.

6 MS. IVORY: I'll give you a chance to
7 take a look at the email to see if it helps
8 recollect any memories.

9 THE WITNESS: Okay. I'm sorry. Could
10 you tell me the question again.

11 MS. IVORY: So this email is from Ed
12 Miranda to you, and it says that pretty much that
13 he's created the account description in align with
14 what you would like to show them. And then
15 towards the end of the email it speaks about that
16 the number should be everything that they need.
17 Hopefully, they won't want to take a closer look
18 at some of the big numbers, such as contractor and
19 FF&E. Is there any specific reason why the
20 account description was created by Ed Miranda?

21 THE WITNESS: I don't know. And I don't
22 know why they don't want to look at the contract
23 because the contract is in here. It doesn't make
24 sense to me.

25 MS. IVORY: So did you ask him to change

Page 197

1 give him an FF&E budget. I really don't know.

2 MS. IVORY: So did you make a request to
3 him to prepare a trial balance with the balance of
4 forty-four million, two hundred and eighty-five
5 thousand, nine hundred and fifty-eight dollars on
6 that?

7 THE WITNESS: I don't ever remember
8 making that request. Frank may have made it.
9 Frank made have told Jade to call him. Frank used
10 Jade as a right-hand person, too. So it could've
11 been done, but I don't remember.

12 MS. IVORY: Okay. Thank you.

13 MS. SPRINGER-CHARLES: I'll ask the
14 Court Reporter to mark a copy of this spreadsheet
15 that's Bates labeled SEC-LAUDANONP-0001716 through
16 1719 as Exhibit No. 159.

17 (SEC Exhibit No. 159 was
18 marked for identification.)

19 BY MS. SPRINGER-CHARLES:

20 **Q I'm showing what's been marked as**
21 **Exhibit No. 159.**

22 **Have you ever seen this spreadsheet**
23 **before?**

24 A Yes. I saw this spreadsheet last week.

25 **Q How did you see this last week?**

Page 198

1 A I asked Nicky to give me -- to make a
2 copy of all of the accounting, so that I would
3 know the numbers better.

4 **Q And is this what he gave you?**

5 A I don't know if he gave it to me. He
6 was going to make a copy. I don't think he gave
7 it to me, but I think he --

8 **Q You saw it?**

9 A I saw it.

10 **Q Okay.**

11 **And what you saw, did the numbers --**
12 **like let's just look at the last page, the totals**
13 **page, is this what the total looked like when you**
14 **saw it? Was it the same totals?**

15 A Yeah, because I was asking him about it,
16 did that -- I was trying to find out, did that
17 include the five million -- the four five or five
18 from Glenn, and that's what I was trying to find
19 out, and I don't know if I ever really got the
20 answer. I had asked him, could you get an
21 accountant, get everything together, so that I can
22 have it for my records. I got lawsuits going on.
23 I've got to have this stuff done. He said, it's
24 tax season, I'm not going to be able to get the
25 guy until after April.

Page 200

1 This four million, seven hundred,
2 eighty-nine thousand, one hundred thirty-five
3 dollars and seventy cents, it says, payment due
4 AIA, do you see that, 8/31/2013?

5 A Right.

6 **Q And then in the first bank NAHCS column,**
7 **it says, Pre-July 8th to -- I don't know what it**
8 **says beyond that, total funding, same number, and**
9 **accounts payable, same number. What does that**
10 **number represent?**

11 A I thought that was -- I thought that was
12 his accounts payable. Oh, wait. This is
13 thirteen. I know that he's got a lien for three
14 or four million dollars. I don't think it's four
15 seven.

16 **Q Right.**

17 **Is that related to their funds you were**
18 **talking about that went in under Glenn Straub?**

19 A Yes. Yes, that's what it is. That's
20 the number.

21 **Q Okay. Can you explain that to me.**

22 A I don't really understand it. I know
23 that -- I knew about -- I said four and a half to
24 five million, I guessed. So I was right. That
25 went under the AIA that was done originally for

Page 199

1 **Q Is that the first time you went through**
2 **with Nick, the accountant?**

3 A Yes.

4 **Q Why?**

5 A I was coming here, and I thought you
6 might ask me some questions. I wanted to know --
7 I wanted to try to remember the deal.

8 **Q Why didn't you do it before now?**

9 A I didn't have any reason to. I don't
10 think Nick would ever lie to me. I trust him as a
11 friend. And I can't imagine that, you know, he
12 would never not do what he was supposed to do with
13 the hotel. I mean, he sat there for three years
14 and ten months babysitting with Glenn. And he's a
15 good guy. So I just knew I was coming in. I
16 wanted to go through it and understand it.

17 **Q Okay.**

18 **Did you agree with the entries that he**
19 **had on this report, on Exhibit No. 159?**

20 A I didn't have anything to compare it to.
21 I don't have -- my accounting that I did that the
22 lawyers hired a guy to go do, I never finished it.
23 I just had money that went to Palm House. It
24 never was finished with the due to, due froms.

25 **Q Okay.**

Page 201

1 around thirty-five million dollars, of which about
2 five million, I told you, was under Glenn, but it
3 was with the same company, with 160. So for some
4 reason that's how we did it. I think it's a wash.
5 I think four seven comes in and four seven goes
6 out. I don't think it affects anything.

7 **Q Okay.**

8 A But I didn't really understand it. I
9 really didn't understand it. It's as simple as
10 that.

11 **Q You didn't finish your accounting to**
12 **determine whether or not this spreadsheet is**
13 **accurate as far as how many funds came over to**
14 **Nick or any of his companies?**

15 A Yeah. Yeah. And for what I think the
16 hotel still owes me in money that was put in under
17 the boat and under this whole thing to see where
18 we are, like does the hotel owe me two million
19 bucks, you know, what was the true-up.

20 **Q What do you believe the hotel owes you?**

21 A I don't know. I just said that I don't
22 know.

23 **Q I mean, general. I didn't know that you**
24 **thought the hotel owed you anything.**

25 A Well, I put -- we put money in under the

51 (Pages 198 to 201)

SEC_000679

Page 202

1 boat. Alibi boat wasn't for me. It was for the
 2 hotel. And so money -- Mia used the money that
 3 she got from Bonaventure, that million dollars.
 4 **Q The developer fee?**
 5 A No. The million dollars of -- remember,
 6 I talked about the five hundred and one keys we
 7 bought?
 8 **Q When you sold the eighteen percent**
 9 **interest?**
 10 A Yes. Yeah, I think that part of the
 11 money went in there. So there's money owed back.
 12 **Q And she used the money from there to do**
 13 **what for the boat?**
 14 A To pay all the improvements. We worked
 15 our little butts off on that boat to get it done.
 16 **Q And what other fund does the hotel owe**
 17 **you? And I don't mean specifically. I mean what**
 18 **categories?**
 19 A The only categories could be the two one
 20 point one fees, which is two two.
 21 **Q Which you said you took already.**
 22 A No, I don't know what I took. I knew I
 23 took one. I don't know if I took the other one.
 24 **Q Okay.**
 25 A I think I even said -- if you check, I

Page 204

1 A And prior to the receiver coming in,
 2 yes.
 3 **Q Okay. Okay.**
 4 **So it would be the broker fee, the money**
 5 **Mia spent on the boat, and anything that you spent**
 6 **on, I guess, paying individuals or running the**
 7 **hotel between the blow up --**
 8 A Right.
 9 **Q -- and the time that the receiver came**
 10 **in?**
 11 A I mean, if I were guessing, I would say
 12 maybe the boat was seven hundred grand. The rest
 13 in development fee call it six. That's a million
 14 three and one seven, it's three million dollars,
 15 so --
 16 **Q Owed to you?**
 17 A Between two and three million dollars.
 18 **Q To you or Mia?**
 19 A Yeah. And I don't know exactly. I'm
 20 guessing. So in my head, that's what I have in my
 21 head.
 22 **Q Okay.**
 23 **What is NJL Development Group?**
 24 A It's one of Nick Laudano's LLCs.
 25 **Q Did you have any relationship to that**

Page 203

1 think I said I took about five hundred thousand is
 2 my guess on what I took of the second one.
 3 **Q Okay.**
 4 A That's my guess with the due to, due
 5 froms when you clean it up.
 6 **Q Okay. So you maybe owed another five**
 7 **hundred --**
 8 A Five or six hundred. And then since
 9 then -- since that then there was -- when we did
 10 the closing there was a fee that I had set aside
 11 of -- I believe it was a million, eight
 12 seventy-five that we never took because the hotel
 13 could really never afford to pay it. It was when
 14 we went to the closing. We were about four and a
 15 half million dollars, five million short. We
 16 closed the hotel without having enough money.
 17 **Q Right.**
 18 A So there's that fee. And then just the
 19 money that was put back in. You know, I paid
 20 legal. I paid boat stuff. I paid salaries, all
 21 that stuff. That money got back in after this,
 22 after the blow up.
 23 **Q After the blow up?**
 24 A Yeah. There's that money.
 25 **Q And prior to the receiver coming in?**

Page 205

1 **entity?**
 2 A No. I don't know what it did. It
 3 wasn't the construction company.
 4 **Q Do you think that might be the entity**
 5 **that purchased the property that you used to own**
 6 **in Connecticut?**
 7 A Oh, 115. Okay.
 8 **Q 115.**
 9 A Okay. That's what it was.
 10 **Q Okay.**
 11 **Was it formed simply to purchase the**
 12 **property, 115?**
 13 A I don't think so. I think he had that
 14 company for a while. I think that was his
 15 development company to do purchases of properties
 16 and stuff, but I don't know. I don't want to
 17 guess.
 18 **Q Right. Because I think when we look in**
 19 **the records, it would've been formed shortly**
 20 **before he bid on the property.**
 21 A It was?
 22 **Q I believe so.**
 23 A Oh, okay. Then he set up that one for
 24 that. I didn't know.
 25 **Q What is NJL Investments?**

Page 206

1 A I don't know. I don't know what LLCs he
2 has.

3 Q Why weren't you a signatory on 160 Royal
4 Palm's or Palm House PB's bank accounts? Why
5 weren't you an authorized signatory?

6 A Yeah. I don't have any bank accounts,
7 and I haven't since I lost three hundred and
8 thirty-five million dollars in '08.

9 Q But I think we established already that
10 you were the person who really controlled those
11 accounts?

12 A Yes, a hundred percent.

13 Q As well as the funds that Les -- well,
14 not necessarily. We'll get to the funds that were
15 held by Les Evans.

16 Who had access to the funds, I guess, to
17 160 Royal Palm's bank accounts, who had access?

18 A I think just Jade.

19 Q Jade.

20 I think Les was also an authorized
21 signatory on 160's and Palm House PB's accounts,
22 but do you know if he ever executed any
23 transactions into or out of those accounts?

24 A I didn't even know he was a signatory.

25 Q Okay.

Page 208

1 Q What about how many Palm House PB? I
2 know you said you don't recall the accounts,
3 but --

4 A I don't remember. I believe it was the
5 account we used for the boat, but I just -- I
6 could've had a debit card. I don't remember.

7 Q Did anyone else -- did the girls, your
8 daughters, have access to any of these debit
9 cards?

10 A No.

11 Q Okay.

12 I'm going to show you several documents,
13 and first, I'll ask if you know what it is. I'm
14 showing you what's been marked -- you can share,
15 Exhibit 11.

16 Have you ever seen that document?

17 A It looks like a chart of accounts. I
18 don't know if I've seen it or not.

19 Q You produced it, so I just want you to
20 take your time to look at it to see if you
21 recognize it.

22 A I produced it in an email or something?

23 MR. REINHART: No. We produced it to
24 them in discovery -- in response to their
25 subpoena.

Page 207

1 Did Mia have access to 160 Royal Palm's
2 bank account?

3 A No. No.

4 Q Did she have a debit or credit card
5 associated with that account?

6 A She could've, but I don't remember, but
7 she could've very well had it.

8 Q Okay.

9 How about Palm House PB's bank accounts,
10 did Mia have access?

11 A I don't know. I didn't know they had a
12 bank account till you told me about an hour and a
13 half ago.

14 Q Okay.

15 Did Nick have access to either 160 Royal
16 Palm's or Palm House PB's bank account?

17 A No.

18 Q Did you have any access to any of Nick's
19 bank accounts associated with any of his
20 companies?

21 A No.

22 Q Did you have a debit or a credit card
23 associated with any of 160's bank accounts?

24 A Probably. I remember for gas and travel
25 when I went overseas.

Page 209

1 THE WITNESS: I don't know. I must've
2 found it and gave it to you.

3 BY MS. SPRINGER-CHARLES:

4 Q But you don't know what it is?

5 A It looks -- I mean, it says, Chart of
6 Accounts, so I assume it's a chart of accounts for
7 something.

8 Q Right.

9 Do you recall seeing it before today?

10 A I mean, it could be the chart of
11 accounts for 160, but I don't know. It says
12 watercraft. I don't know. I don't know. I'm not
13 sure.

14 Q Did Jade maintain a chart of accounts
15 for 160?

16 A She had QuickBooks.

17 Q She had QuickBooks.

18 A Yeah.

19 Q Okay.

20 MS. IVORY: Was she the only one who
21 used the QuickBooks software, or did you enter
22 transactions?

23 THE WITNESS: No. I'm sorry. I don't
24 mean to shake my head. No, I never entered a
25 transaction to QuickBooks. I wouldn't even know

Page 210

1 how to do that.
 2 MS. IVORY: Did you review the
 3 transactions that she entered?
 4 THE WITNESS: I did with the accountant
 5 that the lawyer hired.
 6 MR. REINHART: Clarify the time frame.
 7 I think the question is, in realtime back in 2012,
 8 '13, '14, '15, would you review Jade's work, not
 9 did you after the fact, have you gone back and
 10 investigated with your lawyers?
 11 THE WITNESS: I did go back and
 12 investigate with my lawyers after the fact, yes.
 13 MS. IVORY: Okay.
 14 BY MS. SPRINGER-CHARLES:
 15 **Q But during between 2012 and the time the**
 16 **receiver was put in place, did you review the**
 17 **accounts?**
 18 A I don't think so, but I could've said
 19 something maybe if she showed it to me. I just
 20 don't remember.
 21 MS. IVORY: Maybe in the form of a
 22 QuickBooks report, as opposed to in the system
 23 that you reviewed her entries?
 24 THE WITNESS: I don't remember. It's
 25 just that when I went through it with the

Page 212

1 And she had like a photographic memory, so she
 2 would help with stuff and set up appointments. She
 3 did everything.
 4 MS. IVORY: So as it relates to
 5 accounting, did you ask her to record the
 6 transactions specifically, or did she just do it
 7 on her own?
 8 THE WITNESS: I think she just did it.
 9 She was really smart.
 10 MS. IVORY: I'll present to you Exhibit
 11 No. 31, and this is a QuickBooks report from 160
 12 Royal Palm.
 13 Have you ever seen a report like this
 14 before?
 15 THE WITNESS: This is the one I believe
 16 that I went through with the accountant, yes.
 17 MS. IVORY: Okay.
 18 So you've never reviewed it with Jade Yu
 19 before?
 20 THE WITNESS: I don't remember ever
 21 reviewing it with Jade.
 22 BY MS. SPRINGER-CHARLES:
 23 **Q You mentioned that there were some**
 24 **things that were not classified the way that you**
 25 **would've have put -- either directed Jade to or**

Page 211

1 accountant, I saw things that were glaring to me,
 2 and so I felt like it was the first time I saw
 3 them.
 4 MR. REINHART: I think her question is
 5 along the lines of this: Did you have a practice
 6 with Jade, you know, once a month you would sit
 7 down and reconcile accounts --
 8 THE WITNESS: No.
 9 MR. REINHART: -- you'd look at the
 10 checkbook --
 11 THE WITNESS: No.
 12 MR. REINHART: -- or you'd reconcile the
 13 checking account?
 14 THE WITNESS: No. No.
 15 MR. REINHART: Was that -- I didn't mean
 16 to preempt your question.
 17 MS. IVORY: Yes.
 18 So, I guess, what did you hire Jade for?
 19 What was her purpose? Did you hire her to set up
 20 the accounting?
 21 THE WITNESS: Right-hand person.
 22 Right-hand person.
 23 MS. IVORY: And what was her day-to-day
 24 responsibilities as to accounting?
 25 THE WITNESS: She kept the QuickBooks.

Page 213

1 **the way you would've chosen to classify them,**
 2 **correct?**
 3 A Correct.
 4 **Q Can you point those to me?**
 5 A I have one with notes on it.
 6 **Q Okay. We'll get to it.**
 7 A And I went through every one of these
 8 like three times to make sure that if it was grey
 9 at all, to make sure it was done right. But right
 10 now could I find something? I could try to look
 11 for something.
 12 MS. IVORY: Okay. So based on my
 13 understanding, this report has a name column, and
 14 in that name column is the vendor, the person
 15 that -- or a company that was paid. So if you
 16 would like, you'll see that, for example, 1&1
 17 Internet was paid a couple of times. Do any of
 18 the vendors look as if something you would not
 19 expect?
 20 THE WITNESS: Could you just show me
 21 where like 1&1 Internet is for example? Oh, 1&1.
 22 Yes, that would be a good example. So 1&1
 23 Internet, I think there was like maybe fifty
 24 dollars. That was for my wife's -- my daughter's
 25 GoDaddy account to -- we got all the names at

Page 214

1 once, Mia -- miamatthews.com, biancamatthews.com,
2 mirandamatthews.com. So that would be -- if it
3 was for my daughter, I would've circled that and
4 circled the fifty-eight seventy-nine. And I
5 probably would've left the one with my wife
6 because she was integral. So that could -- I
7 mean, I'm not saying that's what that is, but
8 that's one I would've explored to find out.

9 MS. IVORY: Okay. So what exactly do
10 you hire the accountant to do after the fact to
11 review Jade's work?

12 THE WITNESS: To go through all of these
13 with me and make sure, what I talked about before,
14 the due to, due from column was correct.

15 MS. IVORY: Okay.

16 And did you get any reports or summaries
17 from this accountant, or is it still in progress?

18 THE WITNESS: I owe him five thousand
19 dollars, and I haven't been able to pay him. So
20 I'm trying to get the money I put into the
21 receiver's money about four months ago to get the
22 balance of the money and a ten thousand dollar
23 advance, so he could finish everything.

24 MS. IVORY: So is it fair to say that
25 the accountant is assisting you with identifying

Page 216

1 MS. SPRINGER-CHARLES: S-T-O-H-L-M-A-N?

2 MR. REINHART: Yes.

3 MS. IVORY: Thank you.

4 BY MS. SPRINGER-CHARLES:

5 **Q Where's he located? Up in Palm Beach?**

6 A He's in PGA.

7 MR. REINHART: Palm Beach County.

8 THE WITNESS: And my lawyer hired him
9 for attorney/client privilege, but I always wanted
10 to show it to you when it was done because I
11 thought it was really a good thing.

12 MR. REINHART: Let me stop you. We'll
13 make that decision.

14 THE WITNESS: Sorry. Sorry.

15 MR. REINHART: Don't break any
16 privileges without talking to me first.

17 THE WITNESS: Okay. Sorry.

18 BY MS. SPRINGER-CHARLES:

19 **Q I'm showing you what's been previously
20 marked as Exhibit 14.**

21 **Do you recognize this document?**

22 **To me, it looks like a more detailed
23 version of the last exhibit, but maybe at a
24 different point in time.**

25 A Is it 160?

Page 215

1 your personal expenses versus those owed to 160
2 Royal Palm?

3 THE WITNESS: To make sure that the draw
4 numbers are correct, absolutely correct.

5 MS. IVORY: And the due to/from
6 balances, correct?

7 THE WITNESS: Yes, absolutely.

8 MS. IVORY: And is it fair to say that
9 based on your approximation, about five hundred
10 thousand dollars of these expenses may belong to
11 you in the due to/from account?

12 THE WITNESS: Yeah, but I just don't
13 really know because I'm doing it from memory. I
14 did it with the accountant two years ago. So I'm
15 just guessing. I'd really like to know the exact
16 number.

17 MS. IVORY: Okay.

18 THE WITNESS: Okay.

19 BY MS. SPRINGER-CHARLES:

20 **Q Who's the accountant?**

21 A What's his name? Matthew.

22 **Q Matthew?**

23 A Matthew Stohlman.

24 MR. REINHART: S-T-O-H-L-M-A-N, I
25 believe.

Page 217

1 **Q On the first page on the left-hand side,
2 it's 7918, Regions checking. I don't know if that
3 helps you to refresh your mind --**

4 A Yes, it does, because I get an email
5 today from Justin. I've been trying to get a copy
6 of the checks for months and months and months.
7 And he sent them over twice, and it didn't work.
8 And he won't let me go there with a thing that you
9 put in the computer and get them. And my
10 accountant doesn't want to go by the QuickBooks.
11 He wants to go by the checks written. He says
12 that if he's going to do a forensic accounting and
13 he ever has to testify, he wants to actually see
14 the checks. So I literally have an email that
15 Justin said today ironically that he sent --

16 MR. REINHART: Who's Justin?

17 THE WITNESS: He's the manager of
18 Regions Bank that I've been asking for.

19 BY MS. SPRINGER-CHARLES:

20 **Q So have you seen this document before?**

21 A I don't know the back of it, but I know
22 the front of it. It looks like the thing I just
23 looked at only smaller print.

24 **Q Okay.**

25 **And it appears to be broken out by**

55 (Pages 214 to 217)

SEC_000683

Page 218

1 **account type.**
2 A Okay.
3 MR. REINHART: Just to be clear, this is
4 not a document that we produced.
5 THE WITNESS: Okay. I don't really
6 understand, because it says something. Then it
7 doesn't even have the check amount or anything.
8 MR. REINHART: It's maybe the way it was
9 printed out.
10 MS. SPRINGER-CHARLES: It's just the way
11 it was printed out.
12 THE WITNESS: Oh, okay. I saw the front
13 of this before.
14 MS. IVORY: Okay. If you could turn to
15 the page Bates stamped ending in 51. And on the
16 left side of this document there's a general
17 ledger account 66000 entitled, Payroll Expenses.
18 THE WITNESS: Okay.
19 MS. IVORY: I notice that the total
20 amount of expenses was zero. And based on our
21 prior discussions, I believe you had Jade Yu and
22 others working for you, but I notice there's no
23 payroll expense.
24 THE WITNESS: All the payroll -- Nicky
25 was set up to do the payroll. So all the payroll

Page 220

1 THE WITNESS: Yes. Seventh Art did all
2 the branding. They did a great job in New York
3 City. So they did the web -- well, they were
4 doing the website, and they were doing all of the
5 brochures and all of the stuff with Inga Moore,
6 and did a fabulous job. They're a good company.
7 MS. IVORY: And Lawrence A. Moens
8 Associates?
9 THE WITNESS: I don't know why we paid
10 Lawrence. He had the contract on the land behind
11 the Palm House. He was the broker, that he
12 brokered that contract, so we could buy it.
13 MS. IVORY: Okay.
14 And HBS Consulting and Valuation?
15 THE WITNESS: Yeah. They were the
16 appraisers that Frank hired to do two appraisals
17 on the project.
18 MS. IVORY: And those were appraisals
19 for Palm House?
20 THE WITNESS: Yeah. One was to go back
21 and look at the appraisal that was done in '08 and
22 verify the numbers. It was about a hundred and
23 thirty million dollars. So they went through and
24 said these rates are the same, these -- it's about
25 a three-page agreement.

Page 219

1 ran through him, and he did a due to, due from on
2 the payroll.
3 MS. IVORY: Okay.
4 And outside of Jade, is there anyone
5 else who was on site helping you with day-to-day
6 functions that would've been paid under your
7 payroll?
8 THE WITNESS: I really just had Jade.
9 MS. IVORY: Okay.
10 And also if we take a look at -- oh, at
11 the bottom of that page, there's another general
12 ledger account, 66700, professional fees. There's
13 one right below it called consultant. Can you
14 help me understand the basis of -- like the
15 consultants that you used for the project and the
16 type of work that they performed?
17 MR. REINHART: She's asking you --
18 MS. IVORY: If you look at that column,
19 the first one there's Kevin Wright, but there's
20 other individuals' names, such as --
21 MR. REINHART: His eyesight is not
22 great, so maybe if you just give him the names,
23 he'll --
24 MS. IVORY: Okay. So there's the
25 Seventh Art.

Page 221

1 And then the other one they appraised
2 Condo B, not Condo A. So that's very important.
3 Because Condo A was all the residential space, and
4 Condo B was all of the other space, the commercial
5 space. So they appraised it as if Condo A was
6 sold, forty-four thousand, five hundred square
7 feet was sold, as a condo, those individual
8 condos, and they took the residual cash flow of
9 that, and they appraised just Condo B, what was
10 left over. I think they did a bad cap rate, but I
11 think it came out to about seventy-three as is and
12 eighty-two finished or eighty-one finished. So
13 that's that.
14 MS. IVORY: Okay.
15 And I see Kevin Wright listed here. I
16 know we spoke of him earlier before, but just can
17 you refresh my memory as to the services he
18 provided.
19 THE WITNESS: Yeah. So Kevin Wright --
20 so Joe hired Kevin Wright to raise EB-5 money.
21 MS. IVORY: Okay.
22 Did you have any other individuals that
23 were paid to help raise EB-5 money?
24 THE WITNESS: Not that I know of.
25 MS. IVORY: Okay.

56 (Pages 218 to 221)

SEC_000684

Page 222

1 There's one more person, Monica Venegas?

2 THE WITNESS: Yeah, Venegas.

3 MS. IVORY: Venegas.

4 THE WITNESS: Venegas, yeah. She was
5 the person we hired to go over to -- not Cabtree,
6 Sardinia with Greg Norman and do a series of
7 parties, two big parties and a golf outing with
8 Greg.

9 BY MS. SPRINGER-CHARLES:

10 **Q What does Ed Miranda do? We saw him**
11 **before.**

12 A Yeah. So Ed was a real smart guy. He
13 worked for Frank. That's how I met him. And at
14 one point, I believe he came on the payroll. You
15 could check with Nicky, I think he was on the
16 payroll. I think maybe even to this day. And
17 he -- he used to work at the Breakers. He was a
18 number cruncher. So he would do -- he would look
19 at the star reports on what hotels are going for.
20 So he would look at the rates and what you should
21 get for this hotel and how many square feet it is.
22 Then he looked at the occupancy. He'd start out
23 with sixty percent occupancy and move it up to
24 sixty-five, go to sixty-eight over a five-year
25 period. So he was as number cruncher guy. A

Page 224

1 were going to price the club at. They did all of
2 the brochures that they did over at Seventh Art,
3 and they put together -- they did the writing on
4 those things to get it right because Seventh Art
5 wasn't doing a good job. So they were really
6 smart.

7 MS. IVORY: And the last one here, SB
8 Architects?

9 THE WITNESS: SB Architects did the --
10 they were the architects for phase two. They did
11 the layouts and all of the square footage, how
12 many square feet you can get on that project and
13 how it connected to Palm House.

14 BY MS. SPRINGER-CHARLES:

15 **Q And what's phase two again?**

16 A Joe called it Palm House Residences, the
17 piece behind, the piece contiguous.

18 **Q The 149 piece?**

19 A Yes.

20 **Q Okay.**

21 **Who else was paid through Nick Laudano's**
22 **company?**

23 A I have know idea.

24 **Q Well, you said Jade. And you said maybe**
25 **Ed Miranda. Who else was being paid through the**

Page 223

1 very, very smart kid.

2 MS. IVORY: Luxury Attache?

3 THE WITNESS: That was -- that was if
4 you bought a unit or if you joined the club, you
5 had your own concierge. So if you went in New
6 York City and you had your own concierge, it might
7 cost you thirty or forty grand a year. If you
8 came to the hotel and you had a unit or if you
9 joined the club, you had your own person there.
10 You need to get reservations, per se, on a
11 Saturday night, they would go make that happen.
12 Really keeping it up -- it's sort of going to the
13 Breakers and going up a level for the five star
14 service. This hotel was all about service.

15 BY MS. SPRINGER-CHARLES:

16 **Q Why were they paid, though? The hotel**
17 **wasn't built yet.**

18 A Yeah. No. They did all kinds of work
19 on all of the stuff with Michael Meen, all the
20 layouts. They did a ton of work.

21 MR. REINHART: You made a hand signal.
22 The record doesn't reflect when you said they did
23 stuff. What did they do, in words?

24 THE WITNESS: They did all of the
25 layouts for the club, all of the -- all of what we

Page 225

1 **payroll --**

2 A I don't know if Ed was paid through
3 Nick.

4 **Q I know you said maybe. You weren't**
5 **sure.**

6 A One time he worked for Frank, so he
7 might've got paid through Frank and Frank paid Ed.
8 I don't know if he actually worked for him at that
9 time.

10 **Q Okay. Well, who else besides Jade?**

11 A Who else did he have on his payroll?

12 **Q Not related specifically to his**
13 **business, but related to you, like Jade wasn't**
14 **specifically related to him, correct? She was**
15 **tied to 160 or to Palm House or to you, right?**

16 A She was my right hand and think it
17 person.

18 MR. REINHART: Listen to the question.

19 BY MS. SPRINGER-CHARLES:

20 **Q Who else --**

21 MR. REINHART: Were there anybody else
22 like Jade --

23 BY MS. SPRINGER-CHARLES:

24 **Q -- like Jade who was being paid through**
25 **New Haven?**

57 (Pages 222 to 225)

SEC_000685

Page 226

1 A There was only one Jade. There were
2 other people that worked that Jade and I --

3 **Q That worked for the hotel -- let me**
4 **be -- that worked for the hotel or on the hotel,**
5 **but not for Nick specifically.**

6 A No. It's such a tough question, because
7 it wasn't like that. They were paid by -- for
8 example, there was a room on the right, and there
9 would be people that worked with all the
10 blueprints and all the ordering. It was for the
11 hotel. It wasn't -- it wasn't to put a piece of
12 plumbing in the floor, but it was with the
13 designer and all the work with the designer for
14 all the prints. I mean, prints -- each room had a
15 set of prints this -- about two inches thick. So
16 there were people that were in procurement to buy
17 things for the hotel, to work with the FF --
18 furniture, fixtures, and equipment, but it all
19 tied in with the construction.

20 **Q Those people worked for Nick on other**
21 **projects or just people related to Palm House?**

22 A Oh, no. Just for Palm House.

23 **Q Okay. So that's what I'm asking.**

24 A Yeah. I'm sorry. I didn't understand.
25 Oh, you mean what are their names?

Page 228

1 **Q Okay. What do you mean by that?**

2 A I mean, if I had a person that was
3 paid -- if Nicky paid -- there was a guy that
4 worked for me at one time before that helped me at
5 the house before he then worked for the hotel, but
6 he worked for me at one point. When he worked for
7 me, it was kept separate track. And let's just
8 say he got paid -- I'm making this up -- forty
9 thousand dollars, that was on the due to, due from
10 that I talked about before. I can't think of the
11 guy's name, but if I could, I would tell you.

12 **Q What due to, due from?**

13 A On the QuickBooks.

14 **Q Okay. On 160's QuickBooks?**

15 A Yeah.

16 **Q Okay.**

17 A The due to, due from file. So if there
18 was -- like I said before, if there was a plane
19 ticket that was wrong or if there was a website
20 for fifty dollars that shouldn't have been paid,
21 everything was gone through and circled, and then
22 it was put on my draw for the other one one or for
23 the brokerage fee.

24 **Q Who else besides that -- what was that**
25 **guy's name?**

Page 227

1 **Q Yes.**

2 A Oh, I don't know.

3 **Q How many people?**

4 A I think maybe three.

5 **Q Total, including Jade?**

6 A But only Jade worked for me. There were
7 other people that did purchasing in another room,
8 and I'm guessing --

9 **Q I understand.**

10 A -- there were three to four desks in
11 there.

12 **Q Okay.**

13 **And then besides those people, were**
14 **there other people who did other things for Palm**
15 **House only, but that were paid through Nick's**
16 **company?**

17 A I don't know who else there would be.
18 Maybe I'm not understanding it.

19 **Q Okay. Did you have a house staff?**

20 A Yes.

21 **Q Okay.**

22 **And were they paid through Nick's**
23 **company?**

24 A They could've. It would've been on a
25 due to, due from. Yes.

Page 229

1 A I don't know. I would tell you, but I
2 don't remember.

3 **Q He worked for you at your home?**

4 A He worked for me at my home.

5 **Q For how long?**

6 A Between nine months and four years. I
7 don't --

8 **Q And you don't remember his name between**
9 **nine months and four years?**

10 A I really don't remember. Just so you
11 guys know, I was in a coma eighteen years ago, and
12 I had the last rights, and I almost died. I had
13 open lung surgery. And I don't have a great
14 memory. I would tell you if I knew, but I don't
15 know. But I really am trying hard to know. But I
16 can't make it up, if I don't know it.

17 **Q How long was he paid through Nick's**
18 **company?**

19 A I have no idea. I'd have to look.

20 **Q Okay.**

21 **Who else was from your house staff was**
22 **paid through Nick's company?**

23 A I didn't have -- the only person it
24 could've been back then, I had a housekeeper,
25 slash, cook, and I had a guy that had a short

Page 230

1 first name. I want to say Ed or something, but I
2 don't remember. And I might've had -- did I
3 have -- I could have had another person, but I
4 don't remember.

5 **Q Do you remember the other two people's**
6 **names?**

7 A Lourdes, I remember.

8 **Q She was the housekeeper, slash, cook?**

9 A Yes. I remember Lourdes Maciel, Maciel,
10 M-A-C-I-E-L.

11 And there's another guy. He's an
12 electrician. I can't think of his name. I think
13 it's Ed.

14 **Q And you told Nick that he should pay**
15 **those folks out of his company?**

16 A Yeah, he paid it. We kept a due to, due
17 from. And I'm sure Nick kept his stuff --
18 hopefully, kept it clean.

19 **Q I have never seen this due to, due from.**
20 **Is this something that actually was maintained in**
21 **QuickBooks that Jade maintained?**

22 A So when -- when we -- when Jade kept the
23 QuickBooks, I then went through with an accountant
24 to make sure --

25 MR. REINHART: No. She's talking about

Page 232

1 my house once. I think it was three grand or
2 something. He kept track of the money that was
3 for me that was the due to, due from with Nick's
4 company.

5 MR. GALDENCIO: And where is that?

6 THE WITNESS: Well, I started it, but I
7 don't have it done. He never finished his
8 accounting. That's why asked him for last week.

9 MR. REINHART: Back in realtime. So in
10 2013, you need air conditioning work done at your
11 house, and Nick sends his air conditioning guy to
12 your house. The bill is three thousand dollars.

13 THE WITNESS: Yeah.

14 MR. REINHART: Did you pay --

15 THE WITNESS: No. Nick paid the guy,
16 and he kept record. It's in his books, a hundred
17 percent.

18 MR. GALDENCIO: You have his books?

19 THE WITNESS: No, but I remembered
20 talking to the girl upfront that he hired to do
21 the books. I remember saying, make sure this is
22 on me, and she said, yes, I've got it. So I know
23 that it was -- I know he kept track of it.

24 MR. GALDENCIO: But then how does that
25 get into your books?

Page 231

1 in realtime --

2 MS. SPRINGER-CHARLES: In realtime.

3 MR. REINHART: -- back in 2014.

4 BY MS. SPRINGER-CHARLES:

5 **Q Before the receiver came in place.**

6 A No. No.

7 **Q You didn't actually -- was this in your**
8 **head?**

9 A This was in my head. I knew I didn't
10 take -- for a housekeeper and a cook, I didn't
11 take out six hundred grand. So I know -- I know
12 that.

13 MR. GALDENCIO: I'm not clear. Let me
14 just clarify with you. The payments were from
15 Nick's account; is that correct?

16 THE WITNESS: Correct.

17 MR. GALDENCIO: The ones that we're
18 talking about currently, which is for your housing
19 staff?

20 THE WITNESS: Right.

21 MR. GALDENCIO: And you're thinking that
22 there were entries made in your company's
23 QuickBooks for those payments?

24 THE WITNESS: And with Nick's company.
25 Nick did -- for example, he sent the HB AC guy to

Page 233

1 THE WITNESS: I know I owe X-amount to
2 Nicky. It wasn't on here. It was a personal
3 loan.

4 BY MS. SPRINGER-CHARLES:

5 **Q I think that was your testimony, that it**
6 **wasn't on your books? It was in your head?**

7 A Yeah. But what he's asking for is about
8 Nicky and I with money, right?

9 MR. GALDENCIO: Yes. I'm confused as to
10 the record keeping of amounts paid by Nicky on
11 your behalf.

12 THE WITNESS: Okay. So Nicky kept --
13 and I can ask him for it, but he kept a diary of
14 anything he did for me personally, and there's a
15 certain amount of money associated with that that
16 I owe Nicky. That's a fact, a hundred percent.

17 MR. GALDENCIO: And then did you pay
18 that money?

19 THE WITNESS: Well, I paid -- it goes
20 both ways. When he did the house in Connecticut,
21 I helped him. I gave him, I think, a hundred and
22 forty thousand dollars or something towards a guy
23 that was going to do the roof, and I paid the bill
24 and helped him out. I mean, that was sort of our
25 relationship. I don't know who owes who today,

Page 234

1 but he'll go do the accounting. He'll show me. I
 2 don't think he's going to lie to me. But he'll
 3 have an absolutely record of anything he did for
 4 me and paid for a hundred percent. We were very
 5 careful with this. So you guys get it, we were
 6 very careful with this.

7 MS. IVORY: So should the money due from
 8 Nick be reduced the one point one you have in your
 9 remaining developer fee, or is this something
 10 personal between you and Nick?

11 THE WITNESS: Yeah, it's personal. I
 12 can't take a fee out of there for doing my work.
 13 Yeah. No. It was completely separate.

14 BY MS. SPRINGER-CHARLES:

15 **Q Well, so I'm clear -- I think everybody**
 16 **else is clear, but I'm not. So the funds that**
 17 **were utilized for personal things, like to pay**
 18 **your house staff, those were personal funds Nick**
 19 **loaned you to be able to do that?**

20 A Yeah. If they were in here, if they
 21 were in with Palm House, then it would be a due
 22 to, due from with me internally with what they owe
 23 me, right, if it was here.

24 If it was on Nick's books, then it would
 25 be a loan from Nicky -- from me to Nicky or Nicky

Page 236

1 exit strategy on the hotel was to sell the units
 2 as condo hotels. The people could use them up to
 3 forty-five days. And then they would be in a
 4 rental pool. So you'd sell those units. That
 5 would be Condo A I talked about. And then you
 6 would -- and that money was way more than enough
 7 to pay off all of the whole hotel with Joe and
 8 everybody. My projections were at one point two
 9 hundred and thirty thousand dollars. And to sell
 10 off the units.

11 Then once you sold off the units, you
 12 had the residual value of the hotel, which HB has
 13 appraised at eighty-two million. And don't count
 14 phase two, because I don't know what that would've
 15 been. And then you had the club memberships. So
 16 the total gross revenue when this was all done, I
 17 thought this was the best EB-5 project they ever
 18 did from what little I read about EB-5 projects
 19 because you're in Palm Beach and you're getting
 20 this economic benefit to do this deal, which
 21 wasn't much of a benefit, but -- anyway, so the
 22 total revenue on this thing was, you know, two
 23 hundred, plus the residual value of eighty, plus
 24 another hundred. So this was about a three
 25 hundred and eighty million dollar deal with about

Page 235

1 to me, a separate accounting. But it was one
 2 hundred percent accounted for, anything. We were
 3 very careful with the accounting.

4 **Q The three members of your house staff**
 5 **that you talked about, they had nothing to do with**
 6 **the hotel, right? They just worked for you at**
 7 **your home?**

8 A No. Sometimes they would go in and
 9 clean, and they would go help -- at one point, the
 10 guy that worked for me that was an electrician
 11 went to the Palm House and worked there to help. I
 12 don't remember how much, but -- he did. I don't
 13 know how long.

14 **Q You said that your wife as an integral**
 15 **part of the hotel project. How so?**

16 A She was key to the whole club concept.
 17 We were doing a club with memberships between a
 18 hundred a hundred and fifty to two hundred
 19 thousand dollars doing five hundred memberships
 20 raising a hundred million dollars when this was
 21 done as part of the sales.

22 So the exit strategy on this hotel, like
 23 there's only a thousand forty keys in Palm Beach.
 24 It's the last approved hotel. You can never build
 25 another one. It's a really tough town. So the

Page 237

1 a hundred and some odd total money with a hundred
 2 million dollar spent. It's a huge -- it's a
 3 very --

4 MR. REINHART: The question was about
 5 Mia's role.

6 THE WITNESS: Oh, so sorry. Mia's role
 7 was going to help -- sorry. Mia's role socially,
 8 you know, she'd been on a bunch of magazine
 9 covers. She was good with design, and she had a
 10 good send of her, you know, very fashion. And
 11 this was all about seven -- like a stage when I
 12 said when we set up the model and what it likes.
 13 She would go in like with the designers. There's
 14 so many thousands of decisions on every single
 15 piece.

16 So everything in the hotel, every table,
 17 every chair, every carpet, every single thing is
 18 custom designed and made, and there's a blueprint
 19 spec to it. So there was a lot of work. So she
 20 was good with that. And she was good with the
 21 club concept. She would help us hugely with the
 22 club concept to get members to join.

23 BY MS. SPRINGER-CHARLES:

24 **Q Was she compensated for doing anything?**
 25 A I don't know if I -- if she was on the

Page 238

1 payroll or not. I don't remember. I mean, if
2 there's a check. I mean, could she have gotten
3 something? I don't know. A hundred and fifty
4 grand or something. I don't remember. She may
5 have. I just don't remember.

6 **Q I'm showing you what's been marked as**
7 **Exhibit No. 13.**

8 **Can you tell me what that is, and if**
9 **you've seen it before today?**

10 A It looks like a trial balance with notes
11 that somebody made to the right-hand side.

12 **Q Have you seen it before today?**

13 A I don't remember. I could've supplied
14 it, but I don't know.

15 **Q Whose handwriting is on the front, is on**
16 **the page that's Bates labeled 4599?**

17 A My accountant. Is it the accountant's
18 note? I don't know. I don't know. It's not my
19 handwriting. I know my handwriting.

20 **Q Whose handwriting is on the page Bates**
21 **stamped 4600?**

22 A That is my handwriting.

23 **Q Okay.**

24 A Yeah, this looks like part of what --
25 yeah, there you go. This looks like part of what

Page 240

1 **You talked --**

2 MR. REINHART: I don't know if you're
3 going to get to this, but I do notice on this one,
4 if you look at 66765 about ten lines up from the
5 bottom, it looks like it's one million, one
6 hundred thousand RVM.

7 MS. SPRINGER-CHARLES: I see that.

8 BY MS. SPRINGER-CHARLES:

9 **Q And that's -- to be clear, that's a**
10 **reference to the developer fee that you took?**

11 A Yeah. And if there's car insurance, it
12 would've been. They would've paid my car
13 insurance.

14 **Q No. I was just asking.**

15 A No. Yeah. They would've just -- like
16 we gave Niklaus a car and paid his car insurance.

17 **Q Right.**

18 **You talked before about the fact that**
19 **Joe Walsh had loaned you three hundred thousand**
20 **dollars and that you repaid it?**

21 A Yes.

22 **Q What was that three hundred thousand**
23 **dollars for?**

24 A I think it was for -- I think it was for
25 the Point Breeze deal, to close it out with a

Page 239

1 I went through the accountant with.

2 **Q On the front, I see a reference to**
3 **Clematis. I think that's what it says.**

4 A I'm sorry. Where?

5 **Q It says, Company -- on 4599. It says,**
6 **Company acquisition twenty-two thousand dollars,**
7 **and the note next to it, I think says Clematis. I**
8 **could be wrong, but that's what it looks like to**
9 **me. Do you know what that refers to?**

10 A Money spent on the second EB-5 project
11 that we never did.

12 **Q So why would funds from this EB-5**
13 **project be spent on a potential second EB-5**
14 **project?**

15 A Because if Joe told me to buy the land
16 next door, I did. If he told me to work on
17 clematis and start working on numbers, I did. He
18 was in my mind a limited partnership that he set
19 up to lend me money, sort of like a bank. So I
20 just pretty much did what he said to do.

21 **Q Did AIG provide auto insurance for you?**

22 A They could've.

23 **Q Who was your car insured with?**

24 A I don't know. At one point AIG did.

25 **Q Okay.**

Page 241

1 trustee. It was a deal that when I blew up in '08
2 and lost everything, it was one of the projects.
3 So I believe it was for that. I'm not a hundred
4 percent sure.

5 **Q To settle that?**

6 A To settle, yes.

7 **Q Okay.**

8 **Did he tell you where the funds were**
9 **coming from, the three hundred thousand that he**
10 **loaned you?**

11 A No. I mean, I knew what he made. I
12 knew he made eighteen, twenty million on that
13 Royal Palm deal. I knew he made money in India.
14 So --

15 **Q You thought it was personal money?**

16 A Yeah, a hundred percent.

17 **Q And did you pay it back?**

18 A Yes. In fact, I think he did that
19 before he even bought Palm House. I'm pretty
20 sure.

21 **Q Well, I don't want to waste time**
22 **introducing these records, but the records, they**
23 **reflect that it happened in or about September of**
24 **2012, which was before you purchased the Palm**
25 **House.**

Page 242

1 A Okay, good. Good. Okay.
 2 **Q So you paid it back?**
 3 A Yes.
 4 **Q And where'd you get the money to pay it**
 5 **back?**
 6 A I don't know. It could've been some --
 7 I don't know. It could've been Bonaventure money.
 8 It could've been anything. I don't know.
 9 **Q We have evidence that in November -- in**
 10 **or about early November 2012 one of Joe Walsh's**
 11 **entities sent one point five million dollars to**
 12 **Craig Galle -- I think it's Galle, is that how I**
 13 **say it -- to Craig Galle's account. And I think**
 14 **that might've been associated with anticipating --**
 15 **you know, planning to purchase the hotel.**
 16 A What month and year? Sorry.
 17 **Q November 2012, the year before you**
 18 **bought the hotel.**
 19 A We had it under agreement twice. You
 20 know that, right?
 21 **Q Right.**
 22 A Right.
 23 **Q And so they were -- about one point five**
 24 **million was sent to Craig Galle's account in**
 25 **November. At that point, where'd you think those**

Page 244

1 at first thought it wasn't even real, but I
 2 believe you, and I'm sure he sent it to me. I'm
 3 sure I never signed it.
 4 **Q That was my next question. Did you and**
 5 **Mr. Walsh sign this agreement?**
 6 A I don't believe so. The only agreement
 7 I signed is the one I showed you in the beginning.
 8 **Q Okay.**
 9 **Did you believe that this million five**
 10 **was to be taken out from the EB-5 money once it**
 11 **came in, the million five that went to Craig**
 12 **Galle?**
 13 A Oh, I thought he was going to reimburse
 14 his money with a million five, yes.
 15 **Q Okay.**
 16 **But you believed it was a personal loan**
 17 **to you?**
 18 A I didn't know this was a loan to -- I
 19 thought this went Craig Galle to try to buy the
 20 money.
 21 **Q For Craig Galle to buy the hotel?**
 22 A No. For Craig Galle's lawyer to show
 23 good faith so that we would try to negotiate and
 24 buy the hotel.
 25 **Q Right, but the funds represented a**

Page 243

1 **funds were coming from?**
 2 A Joe.
 3 **Q Personal money?**
 4 A Yes.
 5 **Q I'm showing you what's been previously**
 6 **introduced as Exhibit No. 183. It's an email**
 7 **from --**
 8 MR. REINHART: Did you say 183?
 9 MS. SPRINGER-CHARLES: I mean, 83. I'm
 10 sorry.
 11 BY MS. SPRINGER-CHARLES:
 12 **Q -- an email from Mark Payne to you, Mr.**
 13 **Matthews.**
 14 **Did you receive this email?**
 15 A Let me just read it. Is it the same
 16 date as the other one with the million five, or
 17 no?
 18 **Q This is -- I believe it's related to one**
 19 **point --**
 20 A Yeah. Then it's probably --
 21 MR. REINHART: Her question is: Do you
 22 remember receiving this?
 23 BY MS. SPRINGER-CHARLES:
 24 **Q Did you receive it?**
 25 A No. I mean, I'm just reading it now. I

Page 245

1 **loan -- well, a loan to you to be able to buy the**
 2 **hotel, correct?**
 3 A I don't know if I really -- I never
 4 thought that, no.
 5 **Q What did you think the one point five**
 6 **million was for?**
 7 A I thought that he gave a million five
 8 towards the future purchase of the hotel to show
 9 Glenn Straub that he was real.
 10 **Q Okay.**
 11 MR. GALDENCIO: Are you saying that that
 12 one point five didn't actually get transferred to
 13 the previous owner of the hotel?
 14 THE WITNESS: I think that we had it
 15 under agreement earlier, and then Glenn blew it
 16 up, and I believe the money got sent back, I
 17 think. Craig Galle didn't keep it. I don't think
 18 he kept it.
 19 BY MS. SPRINGER-CHARLES:
 20 **Q Well, when I look at the way the money**
 21 **flowed, I see one point five going to Craig Galle.**
 22 **I think another one point five later goes over to**
 23 **Craig Galle. And that three million dollars then**
 24 **gets transferred over to Les Evans's trust**
 25 **account. That's the way that I see it; am I**

Page 246

1 correct?

2 A I would say you're correct, yes. Yes.

3 Q Okay.

4 So this first one point five million
5 dollars, what -- it was supposed to be used
6 towards the purchase of the hotel, correct?

7 A Yeah. It was pretty simple. Glenn is a
8 very difficult character. If you didn't show him
9 you had money to do a deal, he wouldn't even pay
10 attention to you. So Craig Galle wanted to show
11 him that, you know, hey, here's a deposit, they're
12 real people. That's how he works.

13 Q Okay.

14 And that one point five million would be
15 taken back out with EB-5 money?

16 A That's what I assumed, yes.

17 Q Okay.

18 The second one point five that I said
19 that I saw it goes to Craig Galle in or about
20 February, January or February 2013. I think it
21 may have been two different transactions. That
22 second one point five, was that also intended to
23 be for the purchase of the hotel?

24 A Yes.

25 Q Okay.

Page 247

1 Do you know where those funds came from
2 at that time?

3 A I have no idea.

4 Q Did you ask?

5 A Well, Joe bragged to me he just made a
6 huge amount of money on the Royal Palm deal and
7 some deal that he was doing with Marcus in India
8 with processing things. So in my mind, Joe was a
9 very wealthy guy who just made twelve to eighteen
10 million dollars on one deal and another three to
11 six on another one. So I didn't ask where it was
12 from.

13 Q But it was your understanding that first
14 three million dollars was personal money?

15 A I thought it was his money. I didn't --
16 I thought you had to have your money, your own
17 money until you did the EB-5 deal and closed on
18 it. I didn't think you could fund it before. This
19 is just in my mind. I didn't know anything, but
20 that's what I thought.

21 MS. SPRINGER-CHARLES: I'd like to ask
22 the Court Reporter to mark a copy of this
23 composite exhibit of documents. There appears to
24 be -- they're titled, Leslie Robert Evans &
25 Associates, PA Account Quick Reports. They

Page 248

1 span -- I think the first one I have is 10/23/13,
2 and the last one in this exhibit is 11/10/14 as
3 Exhibit 160. And I believe you produced these
4 documents to us.

5 (SEC Exhibit No. 160 was
6 marked for identification.)

7 BY MS. SPRINGER-CHARLES:

8 Q I'm showing you what's been marked as
9 Exhibit No. 160.

10 Have you seen these documents before?

11 A Yes.

12 Q Where did you get them?

13 A I imagine Les, because that's my writing
14 down below.

15 Q You know, they span a period of time,
16 about a year's period of time. Did he send these?
17 Like how often did you get these?

18 A No, I didn't -- I mean, I got these at
19 the end of the deal right, right, but I knew he
20 was doing this in his office. I didn't get these.

21 Q Oh, you didn't get these? That's what
22 I'm trying to get at.

23 A No. I went over to his office and asked
24 for everything when everything messed up, and to
25 me it was a complete mess. One had a brokerage

Page 249

1 account. One had this account. It was -- I tried
2 to make as much sense of it as I could. I went
3 through and tried to put monies that went to Joe
4 and money that he lent, and I tried to do like an
5 accounting of what was real.

6 Q So you didn't contemporaneously get
7 these documents?

8 A No.

9 Q Okay.

10 With the dates on them, no?

11 A No. He could've -- I could've been in
12 his office complaining. He could've given me one.
13 I don't remember. But it wasn't like I got these
14 documents every month or anything, no.

15 Q So when I see notes on these documents
16 or highlighting or anything like that, these
17 happened after everything blew up?

18 A I don't -- well, let's just look at one
19 at a time.

20 Q Yeah. Sure.

21 A The first one --

22 MR. REINHART: Can I consult with him
23 for a second.

24 MS. SPRINGER-CHARLES: Sure. Let's go
25 off the record.

Page 250

1 (A brief recess was taken.)
 2 MS. SPRINGER-CHARLES: Back on the
 3 record.
 4 BY MS. SPRINGER-CHARLES:
 5 **Q Did you have any substantive discussions**
 6 **with any members of the staff while we were off**
 7 **the record?**
 8 A No.
 9 **Q Okay.**
 10 A Jade may have got these from Les, and I
 11 looked at them.
 12 **Q At the time -- so let's say the first**
 13 **one's dated 10/23/13.**
 14 A I don't know if it was at the time. I
 15 gave these --
 16 THE WITNESS: Oh, thank you.
 17 MR. REINHART: You're welcome.
 18 THE WITNESS: Sorry. Okay. I'm sorry
 19 when did we buy the hotel?
 20 MR. REINHART: 31.
 21 THE WITNESS: 8/31/13 or '12?
 22 This, I think, was done around the
 23 closing, because I was trying to figure out the
 24 math on what I needed to have for the closing.
 25 BY MS. SPRINGER-CHARLES:

Page 252

1 on 11/29? We had a bridge loan for Revere that
 2 Ryan signed that we had to take out and that was,
 3 approximately, three million dollars.
 4 **Q Okay.**
 5 **Let's go to three pages in -- yes, three**
 6 **pages in, Bates labeled 6103 at the bottom.**
 7 A Yes.
 8 **Q Who's handwriting is this?**
 9 A The one on the left -- the numbers is --
 10 the numbers would be me. The writing would be
 11 somebody else.
 12 **Q You don't know who the somebody else is?**
 13 A I don't. I don't know.
 14 **Q Because I think that says, Joe gave**
 15 **Craig Galle, and it says, nine hundred K, 8/26/13,**
 16 **three hundred K Craig kept for fee.**
 17 A That would be accurate, as I remember,
 18 yes.
 19 **Q That was accurate?**
 20 A Yes.
 21 **Q Okay.**
 22 **Let's keep going. There's one just to**
 23 **see if this refreshes your memory as to when saw**
 24 **these if you saw these. There's one 2/3/14, and**
 25 **there's some handwriting on the left, thirteen**

Page 251

1 **Q You said this was your handwriting at**
 2 **the bottom?**
 3 A Yeah, because he -- well, because I now
 4 recognize I'm trying to figure out what is short
 5 at the closing, what we have for money. See the
 6 5797?
 7 **Q Uh-huh.**
 8 A I think that's going to be what maybe he
 9 had in his account at the closing.
 10 **Q Okay.**
 11 **Where it says avail for closing, there's**
 12 **an asterisk or star, what date is that on the**
 13 **right-hand side?**
 14 A So that's not my writing just so you
 15 know.
 16 **Q That's not your writing. Okay.**
 17 A No. See, the numbers is me.
 18 **Q Okay.**
 19 A That's not me.
 20 **Q Okay.**
 21 A But it says 11/29/13. 11/29/13,
 22 November 29th -- but we'd already bought the
 23 hotel, right?
 24 **Q Yes.**
 25 A So how could it be available for closing

Page 253

1 five hundred on left, and there's a number at the
 2 bottom, nine seven one --
 3 MR. REINHART: You mean on the right?
 4 MS. SPRINGER-CHARLES: On the right. I'm
 5 sorry.
 6 BY MS. SPRINGER-CHARLES:
 7 **Q -- there's a number at the bottom, nine**
 8 **seven one three eight six. Do you see that, Bates**
 9 **labeled 7552?**
 10 A Where it says thirteen five?
 11 **Q Yes. Is that your handwriting?**
 12 A That's my handwriting.
 13 **Q And on the bottom, is that your**
 14 **handwriting?**
 15 A Yes.
 16 **Q Again, does this at all help you to**
 17 **remember if you got these contemporaneously along**
 18 **the way?**
 19 A I know with the closing one, I focused
 20 on that one to get the money to make sure we can
 21 pay back Revere and get the closing done. So I
 22 know I looked at it at the closing, because I was
 23 trying to figure out how much money we had to
 24 close. So I know then that's the only one I
 25 recollect looking at, because like I said, we were

Page 254

1 short.
 2 **Q Let's keep going. On 3/28/14, there's**
 3 **one that has handwriting on the left side of the**
 4 **page. Is that your handwriting?**
 5 A No.
 6 **Q Okay.**
 7 **On the next page on the bottom, Bates**
 8 **labeled 7550, towards the center top of the page,**
 9 **is that your handwriting?**
 10 A No.
 11 **Q Okay.**
 12 **So you don't recall generally getting**
 13 **these, let's say, every month?**
 14 A Well, I just looked at this handwriting,
 15 and I recognize this handwriting now on this page.
 16 **Q Whose handwriting?**
 17 A That's Les's.
 18 MR. REINHART: That's page 7550.
 19 MS. SPRINGER-CHARLES: Okay.
 20 THE WITNESS: That's Les's handwriting.
 21 BY MS. SPRINGER-CHARLES:
 22 **Q Okay.**
 23 **How did you end up to have this in your**
 24 **possession? Do you think he gave it to you after**
 25 **everything blew up, for a lack of better phrase,**

Page 256

1 should be this handy. We may refer to it later.
 2 A Could we just stop so I could go to the
 3 restroom real quick?
 4 **Q Sure.**
 5 MS. SPRINGER-CHARLES: Let's go off the
 6 record.
 7 (A brief recess was taken.)
 8 MS. SPRINGER-CHARLES: We're back on the
 9 record.
 10 BY MS. SPRINGER-CHARLES:
 11 **Q Mr. Matthews, did you have any**
 12 **substantive discussions with any members of the**
 13 **staff while we were off the record?**
 14 A No.
 15 **Q Okay.**
 16 I'd like to show you what's been
 17 previously marked as Exhibit No. 84. Please take
 18 a look at that email and tell me -- just explain
 19 to me why you sent this email to Mr. Evans?
 20 A I just sent it to him so it was
 21 clarified that it was Joe's money, and that he's
 22 in charge of his money.
 23 **Q How much of the money did you believe**
 24 **was Joe's money and how much of it did you believe**
 25 **was for the project?**

Page 255

1 **but after, you know, Joe stopped funding and --**
 2 A No. No. I think I looked at one of
 3 these at the closing trying to figure out how much
 4 we were short and how we would we get the number.
 5 MR. REINHART: This is dated March of
 6 2014. You owned the hotel then. You've got the
 7 hotel for six months.
 8 THE WITNESS: Sorry. That's later then.
 9 BY MS. SPRINGER-CHARLES:
 10 **Q But you don't recall getting these on**
 11 **either a weekly basis or a monthly basis?**
 12 A No.
 13 **Q Okay.**
 14 **Did you ever see one of these and**
 15 **provide any comments or recommendations to Les**
 16 **about how he was entering the information?**
 17 A No. The only one that I remember is, if
 18 you look at the very first sheet, that's the one I
 19 remember trying to figure out how much money Joe
 20 took out. So I think in round numbers, let's say,
 21 it was about a million fifty that he took out, and
 22 I wanted to make sure I got credit for it. That's
 23 why I remember it.
 24 **Q Okay.**
 25 **Let's just put this to the side. You**

Page 257

1 A I really had no way of knowing. I
 2 thought anything that he lent me was his personal
 3 money.
 4 **Q Well, we talked before about the three**
 5 **million dollars that had come from Craig Galle.**
 6 **And I'm going to represent to you that I think**
 7 **that was the only money that was in the account at**
 8 **that -- that had come into the account at that**
 9 **time. And if you want to refer to Exhibit 160**
 10 **just to facilitate this discussion, it looks like**
 11 **that was the only money that had come in at that**
 12 **point. Do you see that?**
 13 MR. REINHART: And also look at the
 14 dates to see if that refreshes your memory.
 15 THE WITNESS: This says 4/15.
 16 BY MS. SPRINGER-CHARLES:
 17 **Q 4/15/2013.**
 18 A When did we close. I thought we closed
 19 August. Oh, sorry. We closed '13 or '12?
 20 MR. REINHART: '13.
 21 THE WITNESS: Okay. That makes sense.
 22 Yes.
 23 BY MS. SPRINGER-CHARLES:
 24 **Q And then this email you sent was in May,**
 25 **I believe?**

65 (Pages 254 to 257)

SEC_000693

Page 258

1 A Yeah. May 10th.

2 Q May 10th.

3 And so in the email you state that --

4 A Before we closed. Okay. That makes
5 sense. Yes.

6 Q Just to preface this, I didn't print all
7 of the emails, but what I saw was Joe directing
8 the transfer of certain funds out of the account
9 and Les asked you to please -- Les said, can you
10 please send me an email authorizing the attached
11 wire with the wire that Joe Walsh was directing to
12 be transferred out of the account.

13 A Oh, okay.

14 Q And in response you said, "Dear Les,
15 this email should serve to clarify any confusion
16 on the monies that you are holding, the controlled
17 financials of Walsh. I believe some of it is
18 personal and some of it is for the purchase of the
19 Palm House Hotel, which he tells me is going to
20 happen in June. I don't have any control of this
21 money. He has been kind enough to lend me money
22 to keep me afloat until I get back on my feet.
23 Sincerely, Bob Matthews."

24 And so my question is: How much of the
25 three million did you believe was personal, and

Page 260

1 about it. I just tell you now that I thought back
2 then that this was personal business money, and
3 that he wasn't supposed to use EB-5 money until
4 you close on the asset. That's just my naive
5 thing.

6 Q No. I understand --

7 A But I don't know how much was which of
8 which. I don't -- I didn't have a thing in my
9 head, oh, I think a million seven fifty was this
10 and a million two fifty was -- I didn't have that.
11 I didn't know.

12 Q Okay.

13 Do you understand I'm asking a slightly
14 different question?

15 A Okay. Sorry. So go slow again, so I
16 can get it.

17 Q I understand that you believed all of
18 three million was personal money. I understand
19 that.

20 A And his business money.

21 Q And his business money?

22 A Yes.

23 Q Okay.

24 Well, how much of it did you think --
25 and the business money would be for the purchase

Page 259

1 how much of it did you believe was towards the
2 purchase of the Palm House?

3 A So before the Palm House closed, in my
4 mind, I thought it was all personal. I didn't
5 know you could use EB-5 money before you had the
6 assets. So I don't know if you can or can't
7 today. But in my mind, that's what I thought.
8 This was logical sense to me.

9 Q But here you're talking about the money
10 that Les was holding as of this date, and you
11 said -- you're saying that you believe some of it
12 was personal and some of it was towards the
13 purchase of the Palm House.

14 A Right.

15 Q But you thought all of it was personal
16 money. How much of it do you think was to be used
17 towards the purchase of the Palm House, I guess I
18 should ask?

19 A Well, I thought some of it was personal,
20 some of it was his company money. I don't think I
21 say it's EB-5 money.

22 Q Well, how much of the money did you
23 think was supposed -- was set aside or should've
24 stayed to be used for the purchase of the hotel?

25 A I don't know that I ever really thought

Page 261

1 of the hotel, correct?

2 A Well, his -- in other words, I thought
3 part of the money was his personal money. I
4 thought part of the money was the Royal Palm money
5 that he made from his business to go towards the
6 hotel, and he would get reimbursed when he did the
7 EB-5, quote, unquote, deal.

8 Q Okay. So how much of that did you think
9 was business money that would be reimbursed?

10 A I didn't know. I don't know how I would
11 know that. I don't have any idea. I couldn't
12 even guess.

13 Q Okay. That's fine.

14 I'm showing you what's been previously
15 marked as Exhibit No. 85. It's an email from Mark
16 Payne to yourself, dated 5/15/2013, which is a few
17 days after that initial email you sent to Les. And
18 here Mark asks you, "Bob, thanks for this. I'm
19 following up on this right now, M. By the way,
20 how are we going to spend the two M in your
21 account. I am so excited."

22 What did he mean by that?

23 A It's a joke.

24 Q I figured, but --

25 A I don't know. I mean, it was a joke. He

Page 262

1 was being facetious, like, oh, you got two million
2 dollar in the account, how are we going to spend
3 it? It was him being a smart ass.

4 **Q Did you respond to him?**

5 A I don't believe I did. I don't think I
6 would've. I mean, that just seems like dumb.

7 **Q Okay.**

8 The next time after we see -- if we look
9 at Exhibit 160. The next time I see any funds
10 come in, it looks like it's in July of 2015, after
11 the initial three million. I see one point five
12 million come in in July of 2015. Do you see that?

13 A I see it.

14 **Q Do you know what those funds**
15 **represented? Were those now EB-5 funds, or were**
16 **those still personal funds coming into your**
17 **account based on your belief?**

18 A I don't know which were which. I don't
19 know. Now I think it was EB-5 money. Then I
20 didn't think it was EB-5 money.

21 I mean, just to be clear, I know what I
22 was thinking then, because you see these amounts
23 here, he is lending me money. You see the
24 Matthews Commercial and Mirabia. If you add all
25 that up, I believe it's about five hundred and

Page 264

1 So I was kind of at that level, just so
2 you get, and then I would, you know, try to put on
3 all my companies before I would interview the
4 president, you know, the CEO, and controller. And
5 then they would go do their thing, and I would
6 just trust them. And it was very common for me to
7 do it like that.

8 **Q At least, though, with the three hundred**
9 **thousand dollar loan, I saw evidence of that, I**
10 **saw emails where you were discussing, you know,**
11 **getting the three hundred thousand --**

12 A This is in the very beginning of our
13 relationship.

14 **Q Right. So I saw that, but for this, I**
15 **didn't see anything at all.**

16 A Yeah, because we had -- the relationship
17 started more as a stranger. So in the beginning
18 of the relationship as strangers, you're more
19 emailing and doing that. Then as you become
20 friends, and he's friends with my family, and --
21 you know, it was like, hey, Joe, can you help me
22 out, can you get me a hundred and fifty thousand
23 dollars, and Joe would help me out. You know, Joe
24 wanted to keep me alive. You've got to remember,
25 I was worth like minus sixty-five million at one

Page 263

1 fifty thousand dollars of money that he's lending
2 me. So I one hundred percent thought it was
3 personal money, that's he's keeping me on my feet,
4 keeping me going.

5 **Q Let's talk about that. Did you have any**
6 **documentation for this loan --**

7 A It would be just like the three hundred
8 thousand dollar loan, and not unlike a lot of
9 deals where I had a friend when I had money needed
10 two hundred and fifty grand, I lent him the money.
11 I just shook his hand and gave it to him. Another
12 one I gave two fifty. I never got any notes. PS,
13 I lost both two fifties.

14 But the point is I was very -- I was
15 very flying at thirty thousand feet, and then I
16 was very anal with the actual details of the job,
17 like every single blueprint, everything right, but
18 I was not a very good, you know, day-to-day --
19 like any email, I would go to Jade can you send an
20 email to Tom Swanson, tell him I'm going to be
21 late to the -- like I didn't even do a lot with
22 the TWTROYOP stuff. Like I wasn't really good at
23 that. So when she asked me about QuickBook, I'm
24 like, are you kidding? I wouldn't even know how
25 to turn the computer on.

Page 265

1 point. Joe really liked me and wanted me to be
2 that guy. So, you know, that's just how we did
3 it. I'd like to tell you I had a note for it, but
4 I don't.

5 **Q Since we're talking about it, I'm going**
6 **to show you what's been marked as Exhibit 17. It's**
7 **an email from Jade to Tony Reitz blind copying**
8 **you. And the subject is, Funds Joe used from Les**
9 **Evans's trust account.**

10 Did Joe use about one point three four
11 million dollars from Les Evans's trust account for
12 his own personal benefit?

13 A Yes.

14 **Q Did you believe those to be his personal**
15 **funds?**

16 A Then or now?

17 **Q Then.**

18 A Yeah, I thought this was his money.

19 **Q Now what do you believe?**

20 A I believe that Joe didn't put any money
21 in the deal and just used EB-5 money and used it
22 for various lifestyle issues and hurt a lot of
23 people. That's what I believe now.

24 **Q Why do you believe that now?**

25 A Because I asked Tony Reitz, and Tony

67 (Pages 262 to 265)

SEC_000695

Page 266

1 Reitz had an accounting of all the money, and he
2 said that he had a card tied to it and that he
3 would do it for Michael Jackson for a million
4 three, trailers, cars, and that Joe didn't put any
5 money that he had made. His money has in Hong
6 Kong.

7 **Q Does he know how much money he had in
8 Hong Kong?**

9 MR. REINHART: Can you clarify who he
10 is?

11 MS. SPRINGER-CHARLES: Tony Reitz.

12 THE WITNESS: Oh, I don't know what Tony
13 knows. You'd have to ask him.

14 BY MS. SPRINGER-CHARLES:

15 **Q Well, I guess because you talked about.
16 I'm wondering if he told you.**

17 A No. I knew what he did on -- before he
18 did this deal, he did a scam deal. I knew about
19 that deal very clearly, and I know what he paid.
20 He was buying a project for like --

21 MR. REINHART: Again, can you clarify
22 which he you're talking about.

23 THE WITNESS: Joe was buying four empty
24 buildings and put together a fake lease and put up
25 as if you're going to lease -- you're a big

Page 268

1 **Q All of these funds on the page that's
2 Bates labeled 6096, were these all for Joe Walsh's
3 benefit? Were all of these transfers -- because I
4 think they all came out of Les Evans's trust
5 account, were they all for Joe Walsh's benefit?**

6 A Yeah. I believe that you would find an
7 email that would be from Joe Walsh to Les, and he
8 would say, Les, send me -- was his attorney Weiss
9 Handler Cornwell, send them two hundred and fifty
10 thousand dollars, whatever, and so Les would do
11 it.

12 **Q Were any of the expenses that were paid
13 on that page, was any of those related to the
14 hotel?**

15 A I'm hazarding a guess that I don't think
16 so, but I never saw the backup on any of these if
17 there was a bill for the hotel from somebody -- I
18 don't know what it was for. I don't even know who
19 they are. I know Weiss Handler. I don't know who
20 Ink Jet -- I mean, I don't know who they are, so I
21 don't really know what they were for.

22 **Q Let's look at Exhibit 18. This is an
23 one-page document. It says -- there are two
24 different charts, boxes here, Joe Walsh personal
25 loan to Bob Matthews. Do you see the first one?**

Page 267

1 insurance company and you're going to lease it
2 back. And I know Tony gave the insurance company
3 a check for two million, and then the insurance
4 company gave a check back to Joe for two million
5 for prepaid rent to make it look like it was a
6 real company. And I think he marked it up to
7 twenty-eight million dollars, the Royal Palm deal.
8 He originally was buying it from Pugliese for
9 around eight, but he did it on an oral handshake
10 without even in writing, and I believe that
11 Pugliese jacked the price to a higher number,
12 maybe fourteen or fifteen or sixteen, but I know
13 he made twelve to fourteen million dollars on that
14 deal.

15 BY MS. SPRINGER-CHARLES:

16 **Q How do you know that?**

17 A Through discussions with Mark Payne and
18 through discussions with Tony Reitz.

19 **Q So you learned all of this after things
20 went south between you and Joe?**

21 A Oh, yes. I did some due diligence at
22 the end.

23 **Q You didn't know this before?**

24 A No. I wouldn't have done the deal if I
25 knew this.

Page 269

1 A Yes, I do.

2 **Q As of 7/26/13. And there's some
3 transactions that, I believe, they were processed
4 out of Les Evans's trust account to Matthews
5 Commercial Properties and Mirabia. Do you see
6 that?**

7 A Yes.

8 **Q Were any of those transactions related
9 to the hotel?**

10 A No.

11 **Q And you believe the money that you spent
12 was, again, personal money from Joe Walsh?**

13 A One hundred percent. These were all
14 loans.

15 **Q Okay.**

16 Now, let's look at the bottom
17 spreadsheet, Joe Walsh personal loan to Bob
18 Matthews. I think all of these expenses were paid
19 out of Les Evans's trust account.

20 A They were.

21 **Q Again, did you believe they were
22 personal funds from Bob Matthews -- I mean, from
23 Joe Walsh? I apologize.**

24 A Yes. And, in fact, just to be clear, on
25 the house loan as I was in foreclosure losing the

Page 270

1 house, I went to Joe, and Joe talked to Mark Payne
2 about it, and I know Mark took notes on it. And I
3 know he talked to Nick Laudano and asked both two
4 those people, you know, what do they think? I
5 know that Mark told me that he said he should lend
6 me the money. I borrowed the three hundred. I'll
7 pay him back. And Joe used the house as his --
8 like almost like it was like a prop. He had a
9 word for it, but it was like -- he loved the
10 house. He stayed there a lot, you know. And
11 so -- I actually have an email from Joe that asked
12 me, Bob, what is the payoff on the house? And
13 there's a thank you note that I sent him for
14 lending me. So I one hundred percent thought this
15 was a personal loan, one hundred percent.

16 **Q At this point, you'd own the hotel,**
17 **correct? All of these expenses look like they**
18 **occurred after you owned the hotel, because they**
19 **start in December of 2013 and go through April of**
20 **2014. Do you see that?**

21 A The second part, not the top.

22 **Q The second part. I'm sorry.**

23 A Yes. Yes.

24 **Q Okay.**

25 **At that point, did you believe the funds**

Page 272

1 India -- again, I'm making this up. They hired
2 people in India for four hundred dollars, and I
3 think they charged like forty thousand dollars or
4 something.

5 So I knew he had those two sources of
6 money. But the one that I knew right down the
7 street was Royal Palm, and I knew what he had sold
8 that for. And I knew he did the one with -- well,
9 he was doing the one Jack Nicklaus's son. It
10 was -- in fact, Deutsche Bank asked, where is this
11 money come from, and we had to supply Joe Walsh's
12 name and address. My lawyer asked me for it. I
13 had to go get it. Not this lawyer, the other one.
14 And we had to get it. So there's not even a one
15 percent chance I thought it was EB-5 money.

16 BY MS. SPRINGER-CHARLES:

17 **Q I guess please if you can follow me.**

18 A Sure.

19 **Q We previously looked at that -- it's a**
20 **similar looking chart where you were figuring out**
21 **how much money you had got from Joe Walsh, how**
22 **much was supposed to be Joe's fees, and how much**
23 **was left to be due to you. When I looked at the**
24 **numbers, it didn't appear that you backed out six**
25 **point six million dollar from how much you**

Page 271

1 **that you were receiving from Joe Walsh were**
2 **investor EB-5 funds?**

3 A No.

4 **Q Why not?**

5 A Because I didn't think Joe was going to
6 lend me EB-5 money when he told me he had an
7 account in Hong Kong, he was lending me the money
8 personally. I never would've borrowed the
9 money if I thought it was EB-5 money.

10 **Q So you still thought that he had some of**
11 **that fourteen million dollars to be able to lend**
12 **you?**

13 A Plus what he made over in India
14 processing these things for some guy out in
15 Chicago that blew up. He made a bunch of money on
16 those. Yes.

17 MR. BUSTO: When you say processing,
18 processing what?

19 THE WITNESS: He would get paid a fee --
20 I know Mark set up a -- I mean, I don't know
21 personally, but I talked to Mark, and he said he
22 helped him set up a company in India where, I
23 think, maybe they raised five sixty on each thing,
24 and then sixty went into like process the EB-5 --
25 the applications. I think they hired people in

Page 273

1 **received in total from Joe Walsh. Do you**
2 **understand what I'm saying?**

3 MR. REINHART: Can you point to us a
4 document?

5 MS. SPRINGER-CHARLES: Yes. Let's look
6 at Exhibit -- see, I'm talking about the second
7 side of the document where Jade says, Tony said
8 this is how much they sent over to us, those
9 documents.

10 THE WITNESS: Right.

11 BY MS. SPRINGER-CHARLES:

12 **Q Let me try to find it. I'm sorry.**
13 **Exhibit 5.**

14 MR. REINHART: What's that look like?

15 THE WITNESS: I got it.

16 MR. REINHART: You got it?

17 THE WITNESS: When's this dated just so
18 I know what we're talking about?

19 BY MS. SPRINGER-CHARLES:

20 **Q This is dated -- well, we can look at a**
21 **later dated one. It's dated let's say 10 -- oh,**
22 **no, that's not it. Let's look at the chart on the**
23 **back. I think that would help.**

24 A 10/2?

25 **Q Yes. When looking at this when you're**

Page 274

1 doing the calculations, I don't necessarily see
 2 you back out --
 3 A She didn't.
 4 Q Do you understand?
 5 MR. REINHART: Well, finish your
 6 sentence, back out what?
 7 MS. SPRINGER-CHARLES: Back out six
 8 point six million dollars as that money was your
 9 money and not EB-5 money. Because you were trying
 10 to figure out how much more money was due to you
 11 from Palm House to construct the hotel, but I
 12 never see that you guys backed out the six point
 13 six million dollars that was supposed to be a
 14 loan. And I'm wondering if you thought it was
 15 personal money, why was that not backed out of
 16 this calculation? Because it would decrease how
 17 much was left -- or increase how much left was to
 18 be due to you.
 19 A I don't know if I'm following you or if
 20 you're not following me. So I thought I borrowed
 21 money from Joe. I was planning on paying it back.
 22 So I thought that I still had this money
 23 available. Do you see what I'm saying?
 24 Q Right. But let's look at this chart. It
 25 says, "Deposits Les Evans and Tony Reitz towards

Page 276

1 THE WITNESS: I would owe that money
 2 back. That was for Joe.
 3 MR. REINHART: Not to the project?
 4 THE WITNESS: Well, I would owe it to
 5 Joe and Joe would have to give it to the project.
 6 Do you see what I'm saying?
 7 MR. REINHART: Or whatever Joe would do
 8 with it.
 9 THE WITNESS: Or whatever Joe would do
 10 with it.
 11 MS. SPRINGER-CHARLES: Well, I don't
 12 want you to testify.
 13 MR. REINHART: I'm sorry.
 14 BY MS. SPRINGER-CHARLES:
 15 Q Would you owe it to Joe or to the
 16 project?
 17 A I would owe it to Joe. But the fact
 18 that she didn't put it in here doesn't surprise
 19 me, because she ran separate ones for us. She
 20 never put it into this thing.
 21 Q Okay.
 22 MS. SPRINGER-CHARLES: I'd like to ask
 23 the Court Reporter to mark a copy of this
 24 composite exhibit. It's emails between, I
 25 believe, you and Joe that relate to your property,

Page 275

1 the Palm House." If I add it all up, to me, it
 2 seems like -- towards the Palm House, it equals
 3 exactly what came into these accounts, not --
 4 A It has to. I have to pay it back. I
 5 have to have the money to finish the hotel. I
 6 can't keep this money.
 7 Q So did you think it was personal money
 8 or EB-5 money? That's my question.
 9 A I thought it was personal money, but I
 10 thought I had to pay it back. I thought this
 11 money was going to be paid back.
 12 Q So you thought some personal money came
 13 into towards the Palm House?
 14 A I thought --
 15 Q In addition to the three million
 16 dollars, you thought about six -- at least six
 17 point six million was personal money?
 18 A Oh, yeah, I thought for sure that this
 19 money, before it closed, was personal money. We
 20 hadn't even closed yet. And I thought that this
 21 money was personal money.
 22 Q Okay.
 23 A But I owed the money back to the
 24 project. It wouldn't change the numbers.
 25 MR. REINHART: Not this money?

Page 277

1 101 Casa Bendita --
 2 THE WITNESS: Can I just clarify one
 3 thing so we're clear?
 4 BY MS. SPRINGER-CHARLES:
 5 Q Sure.
 6 A The money when I just said go back to
 7 the project, I had met with the guys doing the
 8 federal suit and told them it was what I told my
 9 lawyers --
 10 MR. REINHART: You're talking about
 11 things that occurred in the last three weeks,
 12 right?
 13 THE WITNESS: Yeah. As part of that, I
 14 said I would put the money back in. So in my mind
 15 now, it would go back to the project. Then it was
 16 a loan to go back to Joe. And she kept it
 17 separate, so it was clear what we had. There was
 18 no question.
 19 BY MS. SPRINGER-CHARLES:
 20 Q Although she kept it separate, when I
 21 add up in the figures, it was not separate in that
 22 Exhibit 5. That was my point. It's not like she
 23 included the total that you got from Joe whether
 24 it'd be classified as personal in your mind or
 25 not, it's all here. So the three million that you

Page 278

1 **thought was personal, it's there. Do you see**
2 **that?**

3 A She didn't do the bookkeeping with the
4 loans, except for like this. She didn't do it in
5 that deal. That's the only difference. No one
6 was trying to hide it. That's why we did these,
7 so it was really clear. We were trying to be as
8 transparent as could.

9 **Q My question for you is, whether you**
10 **thought it was EB-5 funds or whether you thought**
11 **it was personal funds with Joe?**

12 A Let me be one thousand percent clear, I
13 absolutely thought he was lending me personal
14 money to get me on my feet. And I sent a thank
15 you letter that said, you saved my family, thank
16 you so much, I prayed for you. It was a huge deal
17 to me. And I absolutely thought it was personal.

18 We were going to do a note. We were
19 going to follow up with a note. He just never
20 sent it to me. He told me he'd follow up with a
21 personal note. Because I remember saying, what,
22 are you going to charge me for interest, and he
23 said, don't worry about it. So it's not a
24 question -- I mean, it's a question, but it's a
25 hundred percent that answer.

Page 280

1 sending him documentation and then thanking him
2 for the loan, or a loan?

3 A So on this exhibit number --

4 **Q Bates labeled SEC-PALMHOUSE-E-0041499?**

5 A Right. This is Joe Walsh saying to me,
6 because we spoke orally, "Bob, you were going to
7 get me the info on the payoff of the house." So I
8 hadn't got it to him, and he was mad at me, like
9 get me the payoff. So then I believe I sent him a
10 payout.

11 **Q Is that the information from the first**
12 **page? Let's look at the first page.**

13 A Yes. I believe it was more because they
14 missed some legal fees or something, but it ended
15 up being more, but that was the original thing, I
16 believe, I sent him.

17 **Q And then it looks like you sent him --**
18 **the next day, you sent him some other email with**
19 **additional information related to the payoff.**

20 A Is that this page?

21 **Q The next email, 12/24/2013 at 9:12 a.m.**

22 A Yeah. This is I got from my attorney
23 what the payout -- what it would be, how much I
24 needed.

25 **Q And you forwarded that to Bob, correct?**

Page 279

1 **Q Why did you agree that you -- why did**
2 **you say that you'd put the funds back to the**
3 **project?**

4 A Because I was thinking about what just
5 happened in the last couple of weeks where I said
6 to one of the lawyers that if that, indeed, is
7 EB-5 money, which I think it is today, then I will
8 absolutely not pay it back to the Joe. I will pay
9 it to the project.

10 **Q Okay.**

11 **MS. SPRINGER-CHARLES:** Let me ask the
12 Court Reporter to mark a copy of this composite
13 exhibit -- I don't think I did it yet -- as
14 Exhibit No. 161. It's related to your property,
15 there's documents in this exhibit related to your
16 property.

17 (SEC Exhibit No. 161 was
18 marked for identification.)

19 **BY MS. SPRINGER-CHARLES:**

20 **Q I'm showing you what's been marked as**
21 **Exhibit No. 161. Take a look at those emails, and**
22 **then -- I think you've touched on this already,**
23 **but I'd like you to just reiterate whether --**
24 **whether these documents reflect Joe asking you for**
25 **the payoff amount on your property, and you**

Page 281

1 A To Joe.

2 **Q To Joe. I'm sorry.**

3 A Yes. I forwarded that to Joe in
4 response to his request.

5 **Q Okay.**

6 **And the last page of this Exhibit 161,**
7 **is this the thank you note that you're referring**
8 **to?**

9 A Yes. I was so appreciative. I thought
10 he was a real friend.

11 **Q You want a minute?**

12 A No. I'm fine.

13 **Q Did he respond to you when you sent him**
14 **that thank you note?**

15 A I think he sent me the handwritten note
16 that I talked about in the very beginning.

17 **Q Have you found that handwritten note?**

18 A I saw it at one point, and I don't know
19 where it is, but I did find it.

20 **Q If you find it, do you mind sharing it**
21 **with Bruce, and if Bruce sees fit, then he can**
22 **share it with us?**

23 **MR. REINHART:** Yeah.

24 **THE WITNESS:** I'll look tonight. And if
25 I can, I would love to find it and give it to you.

71 (Pages 278 to 281)

SEC_000699

Page 282

1 BY MS. SPRINGER-CHARLES:
2 Q Okay.
3 All of the expenses on Exhibit No. -- on
4 Exhibit 14?
5 MR. REINHART: 18.
6 BY MS. SPRINGER-CHARLES:
7 Q -- 18, none of these -- I understand,
8 but to make it clear, none of these were related
9 to the hotel, correct?
10 A None of those were related to the hotel.
11 Q Okay.
12 MS. SPRINGER-CHARLES: I'll ask the
13 Court Reporter to mark a copy of this composite
14 exhibit documents July 2013 emails related to what
15 I believe is insurance money that he may or may
16 not have loaned you, I'm not sure, that's what
17 I'm going to ask you to clarify for me, as Exhibit
18 162.
19 (SEC Exhibit No. 162 was
20 marked for identification.)
21 BY MS. SPRINGER-CHARLES:
22 Q I'm showing you what's been marked as
23 Exhibit No. 162.
24 Take a look at these emails, and then
25 tell me what's happening here.

Page 283

1 A I broke my Blackberry ranking. And I'm
2 thanking him for the insurance money on the house,
3 I believe.
4 Q Did he lend you money?
5 A Yes.
6 Q To pay the insurance on your house?
7 A Yes.
8 Q It looks like ultimately these funds, if
9 you follow this email trail, a hundred and
10 ninety-two thousand dollars, three hundred --
11 well, a hundred and ninety-two thousand, three
12 hundred forty-three dollars were wired to Matthews
13 Commercial Properties.
14 A Yes.
15 Q That was insurance money for which
16 house?
17 MR. REINHART: The question is which
18 house --
19 THE WITNESS: I'm trying to look. I
20 don't know.
21 MR. REINHART: Oh, okay.
22 BY MS. SPRINGER-CHARLES:
23 Q And I don't know if it helps, it looks
24 like if I follow this trail, it's been wired to
25 this Chase account from Matthews Commercial

Page 284

1 **Properties.**
2 A I think it was Case Bendita, but it
3 could've been Cliff Road in Nantucket. I'm not
4 sure.
5 Q And, again, that was a loan?
6 A Yes.
7 MR. REINHART: If you look at Exhibit
8 18, that corresponds to one of the entries on
9 Exhibit --
10 MS. SPRINGER-CHARLES: Right.
11 MR. REINHART: Okay.
12 BY MS. SPRINGER-CHARLES:
13 Q But that was not related to the hotel
14 because it is on Exhibit 18?
15 A No.
16 MR. REINHART: It's also on Exhibit --
17 whatever this number was.
18 MS. SPRINGER-CHARLES: 160.
19 MR. REINHART: Thank you.
20 BY MS. SPRINGER-CHARLES:
21 Q What I'm doing now is, I'm going through
22 that without really going through it. So the next
23 thing I want to talk about is the purchase of the
24 hotel. There's a bunch of handwritten notes here
25 that I found in your file that you produced to us

Page 285

1 that I want to ask the Court Reporter to mark as
2 Exhibit 163. And these seem to detail the
3 purchase -- all the different transactions that
4 went into you ultimately acquiring the hotel.
5 (SEC Exhibit No. 163 was
6 marked for identification.)
7 MR. REINHART: How much time do we have?
8 BY MS. SPRINGER-CHARLES:
9 Q I'm showing you what's been marked as
10 Exhibit No. 163.
11 And I really want to understand the
12 transaction, whereby, the hotel -- you acquired
13 the hotel. And so we may take some time, and if
14 you're patient with me, I may ask some questions
15 that, you know, are unclear, but I want to
16 understand it.
17 A But just to start, you do know that's
18 not my handwriting?
19 Q That's my first question. Who wrote
20 these documents?
21 A I don't know, but my handwriting is much
22 worse than that.
23 Q Okay.
24 A But I will still go through it and try
25 to help you.

Page 286

1 Q Okay.
 2 Well, let's leave that to the side. I'll
 3 talk and you tell me if I'm right and when --
 4 A Okay. Go ahead.
 5 Q -- I'm wrong, you'll correct me.
 6 My first question is: What was your
 7 role in Palm House's acquisition of Glenn Straub's
 8 membership interest? Were you there that day --
 9 A Yes.
 10 Q -- when the transaction occurred?
 11 A Yes.
 12 Q And what role were you playing?
 13 A The guy buying the hotel.
 14 Q Okay.
 15 Who else was there?
 16 A Les, Craig Galle, Glenn Straub, Mia
 17 might've been there. I don't remember.
 18 Q I'm going to represent to, you should
 19 know these, I read some of the depositions in the
 20 civil matters, and I was told that Ryan -- I mean,
 21 I wasn't told. I read someone said Ryan was not
 22 in the room at the time that the closing actually
 23 happened. What that true?
 24 A Oh, he was outside the room. Glenn
 25 didn't want to see him. You're right.

Page 287

1 Q He didn't want to see him?
 2 A Yeah.
 3 Q Why?
 4 A I don't think he liked him.
 5 Q Okay.
 6 Why weren't you a part, again, of any of
 7 the agreements? I think we talked about this
 8 before, but just to be clear, why weren't you a
 9 part of any of the agreements?
 10 A I think it the same answer as I gave you
 11 before. My brother was doing me a favor, and I
 12 was trying to stay out of the papers from the blow
 13 up in '08. It was a nasty, nasty blow up, and it
 14 was lots of front page stories, and so I was
 15 trying to be low key and behind the scenes. Worked
 16 out great.
 17 Q I'll show you what's been marked as
 18 Exhibit 135. You can keep that to the side. I
 19 think we only need to use it to refresh your
 20 memory if you can't recall something.
 21 But did Les Evans have specific power of
 22 attorney to sign the documents at the closing on
 23 behalf of Palm House, LLC?
 24 A I believe he did. I believe he got one
 25 from Ryan.

Page 288

1 Q Yes, from Ryan?
 2 A Yes.
 3 Q Okay.
 4 Was Les supposed to act as the escrow
 5 agent in conjunction with the closing? I've seen
 6 an escrow agreement, and I think it may be
 7 attached to Exhibit 135.
 8 A For certain -- I believe for certain
 9 things, there were holdbacks --
 10 Q Right.
 11 A -- at the closing for -- for the fine.
 12 Glenn was responsible for the fine. Even after
 13 this agreement ended, he was responsible for that
 14 fine. And there were some liens on the property
 15 from mechanics.
 16 Q Okay.
 17 And Les was supposed to be the escrow
 18 agent for that?
 19 A Yes, I believe so.
 20 Q Did he set up some sort of escrow
 21 account?
 22 A Oh, I have no idea. I have no idea what
 23 he did.
 24 Q You didn't ask him?
 25 A No. I didn't say, did you set up an

Page 289

1 account. No.
 2 Q Was he supposed to?
 3 A If the agreement says you were, then you
 4 are. I don't know.
 5 Q Well, you were the guy purchasing the
 6 hotel, so I think you'll know -- I hope you know
 7 more than anyone else how the transaction was
 8 supposed to work.
 9 A I know the numbers. I wouldn't -- if
 10 you told me right now, was there absolutely an
 11 escrow account for money, I would tell you I don't
 12 know. I'd have to read it and see and try to
 13 remember.
 14 Q But I'm asking was there supposed to be
 15 one?
 16 A In my mind, I thought there were certain
 17 holdbacks, and if I go through this and if you had
 18 the closing documents --
 19 Q I do.
 20 A -- it would help me because then I could
 21 look at it.
 22 Q Let's look at Exhibit 20. I think the
 23 best one to probably look is the version at the
 24 back of Exhibit 20, the page that's Bates
 25 labeled --

Page 290

1 A Yes. Okay.

2 **Q -- ROBERTMATTHEWS-0006570.**

3 A Okay. I'm familiar with that.

4 **Q First of all, who drafted this closing**
5 **statement?**

6 A Either Craig Galle or Les Evans, one of
7 the two.

8 **Q Looking at the bottom, Palm House wasn't**
9 **really the seller, right? Right? This was wrong,**
10 **Palm House wasn't really the seller?**

11 A Yes, that was wrong.

12 **Q Glenn Straub was selling his membership**
13 **interest in 160, correct?**

14 A Yes.

15 **Q And Palm House was the buyer?**

16 A Yes.

17 **Q Okay. So that was just an error?**

18 A I would call it a larger error, but,
19 yes.

20 **Q Okay.**

21 **Was there a separate -- like a**
22 **disbursement statement created, other than this**
23 **closing statement?**

24 A No.

25 **Q Okay.**

Page 292

1 eight hundred and a million dollars.

2 **Q Why?**

3 A I will show you.

4 **Q Section 5.5 of the contract, was that --**

5 A Section 5 -- very good. Yes. Section
6 5.5, "Seller at closing shall give purchaser a
7 credit for the full amount of any balance
8 remaining under any outstanding contract with said
9 tradesman."

10 **Q Okay.**

11 A So we had a list -- Nicky had supplied a
12 list of those outstanding contracts, and from
13 memory, it was a little under a million dollars.

14 **Q Did you produce that list to us?**

15 A I gave you whatever I had, but I know at
16 the closing, there was a list.

17 **Q At the closing, there was a list?**

18 A Yeah, at the closing. I don't know
19 where it is, but there was a list.

20 **Q Okay.**

21 A And I can tell you what happened,
22 because I'll never forget is that we went to the
23 closing and I told Glenn, oh, Glenn, you have to
24 lower that by nine hundred thousand dollars, and
25 he said, why? And I said, well, read paragraph

Page 291

1 **So the purchase price -- we'll go**
2 **through, and we'll get to my question from before**
3 **as we go through this, I think. The purchase**
4 **price was thirty-six million dollars initial,**
5 **correct?**

6 A Initially, yes.

7 **Q And then six hundred and twenty-five**
8 **thousand was added for costs since July 8th, 2013,**
9 **correct?**

10 A Yes.

11 **Q So the total due when you added doc**
12 **stamps and certain additional fees, such as**
13 **intangible tax on the note and recording fees, was**
14 **thirty-six million, seven hundred, seventy-six**
15 **thousand, two hundred three dollars and thirteen**
16 **cents, correct?**

17 A No.

18 **Q Okay. That's what this document says,**
19 **though, correct?**

20 A That document says that, but I don't
21 believe it to be the truth.

22 **Q Okay.**

23 **So what was the total due from the**
24 **buyer?**

25 A I believe that it was reduced by between

Page 293

1 5.5. And he read it. And he said, no, I'm not
2 going to give you a credit.

3 Then I said to his lawyer, Craig Galle,
4 Craig, do me a favor and tell your client to
5 please read the last paragraph. I was very
6 specific on that. And so he looked at Glenn, and
7 he said, Glenn, you have to give them a purchase
8 credit for any balance remaining out of the
9 outstanding contracts.

10 And Glenn says, yes, I know what it
11 says, but I'm not going to give it to you, and if
12 you go to court, you could sue me, and it will
13 take you two years, and you'll probably win, but I
14 know that you want to close on this hotel today.
15 And I'll never forget, I just stood up and reached
16 over and I shook Glenn's hand. I said, Glenn, you
17 clearly must need the money more than me, close
18 the deal, Les. And so he hurt us by nine hundred
19 thousand dollars.

20 **Q Okay.**

21 **So then --**

22 A Other than, that's that.

23 **Q -- in reality, you owe the thirty-six**
24 **seven seven six two zero three point one three at**
25 **the point you shook his hand and said, forget**

Page 294

1 about it?

2 A Yes. Yes. Yes.

3 Q Okay.

4 When I look at seller's deductions on
5 the left-hand side, I think it was a typo, and so
6 someone wrote in the thirty million, four zero
7 four zero seven nine point one four was the total
8 seller's deduction.

9 A Okay. If you add up all those numbers,
10 that's what it equals?

11 Q Yeah, if you add them up, that's what I
12 got.

13 A Okay.

14 Q The one below here says, seller credit,
15 thirty-six, six two five zero zero zero, and then
16 you subtract the seller's deductions. My question
17 is: Why wasn't the seller's deductions subtracted
18 from thirty-six million, seven hundred and
19 seventy-six thousand, two hundred three thirteen?

20 A Why wasn't the seller's deductions --

21 Q Subtracted from the total due from the
22 buyer, which was this amount?

23 A Thirty-six seven seven six?

24 Q Right. Why was it subtracted instead
25 from this original price?

Page 296

1 use that number?

2 Q Right.

3 A I don't know.

4 Q Okay.

5 A You seem to make sense, though, just for
6 the record.

7 Q But in reality, what really happened is
8 that it was the thirty-six million, six hundred
9 twenty-five thousand was what was used, right? Am
10 I correct?

11 A Yeah. And I'd like to go back to my
12 testimony and say that I think that Les's office
13 did this now.

14 Q Okay.

15 Who at Les's, Craig Galle or someone
16 else?

17 A No. I believe this is Les's office now.

18 Q Oh, Les Evans.

19 A Les Evans's office. Based on my
20 knowledge, I would say, yes, this is Les's office.

21 Q Was there a law firm in Connecticut that
22 was working in Rogin --

23 A Rogin Nassau, yes.

24 Q Did they work on this, as well?

25 A Yes. They did the offering agreement --

Page 295

1 A So instead of being subtracted from
2 thirty-six seven, why was this subtracted from
3 thirty-six six twenty-five?

4 Q Yeah.

5 A Okay. So the purchase price in the
6 contract, there's also a provision that went in
7 his favor, and, of course, he wanted to keep that
8 one. So the purchase price was thirty-six
9 million, and then under one of these things, it'll
10 say, any money spent since a certain date. There
11 it is, cost since July 8th. It'll say in here
12 that I'm responsible for. So the real purchase
13 price was at thirty-six six twenty-five, right?

14 Q Right. And then when you add these
15 other fees --

16 A Show me the fees over here.

17 Q The doc stamps --

18 A Yeah.

19 Q -- the intangible tax on the note --

20 A Recording fees.

21 Q -- and recording fees. The real total
22 was thirty-six million, seven hundred and
23 seventy-six thousand, two hundred three dollars
24 and thirteen cents.

25 A And your question is: Why didn't they

Page 297

1 I forgot the lawyer's name. They did the offering
2 agreement and helped with the -- as a business
3 thing. Les did the Florida law. They were like
4 real lawyers. I'm sorry. They were my lawyers I
5 was used to working with that were very capable.

6 Q They did the offering agreement for what
7 entity?

8 A Palm House, LLC.

9 Q Okay. The one that Gerry and Ryan are a
10 part of? Okay.

11 But, ultimately, what was due at closing
12 was six million, two hundred and twenty thousand
13 dollars nine hundred -- two hundred and twenty
14 thousand, nine hundred twenty dollars and
15 eighty-six cents, correct?

16 A That looks correct, yes.

17 Q Okay.

18 When I look at that amount, it doesn't
19 appear to take into account this two million
20 dollars deposit that's articulated on the right
21 side of the page, but I did see two million
22 dollars get wired over to --

23 A Craig Galle.

24 Q -- Craig Galle in August of 2015, August
25 15th, 2015. Was that the deposit?

75 (Pages 294 to 297)

SEC_000703

Page 298

1 A Yes.
 2 Q If you look at Exhibit 160 --
 3 A Yes.
 4 Q -- you'll see it.
 5 A Yes.
 6 Q Okay.
 7 I'm showing you what's been previously
 8 marked as Exhibit 136. It's an email from Jade Yu
 9 to you, Mr. Matthews, and it seems like Craig
 10 Galle is the person that forwarded these on --
 11 well, from you to Jade. I'm sorry. Craig Galle
 12 had sent this email to Ryan cc'ing you. It says,
 13 "Attached are the bank printouts for the nine
 14 point two million dollars for the Palm House
 15 acquisition."
 16 MR. REINHART: You mean two point nine.
 17 MS. SPRINGER-CHARLES: Two point nine. I
 18 guess it's starting to get late -- it's not late.
 19 Two point nine million for the Palm House
 20 acquisition.
 21 My only question on this is: Did South
 22 Atlantic Regional Center wire nine hundred
 23 thousand dollars on August 26th, 2013 towards the
 24 closing? If you look at the back of this
 25 document.

Page 300

1 we must of given it to them before then, and he
 2 held it in his escrow account.
 3 Q Like I said, I saw the two million
 4 dollars go over on August 15th, 2013 from Les
 5 Evans's trust account --
 6 A Right.
 7 Q -- and I believe this nine hundred
 8 thousand dollars that came from South Atlantic
 9 Regional Center was also towards the closing, and
 10 that was August 26th, 2013. I just want to
 11 confirm that no money was actually transferred on
 12 August 30th, 2013? Because I didn't see it.
 13 A So are you saying that you think the
 14 only money that went to the deposit of the hotel
 15 was two million nine?
 16 Q That's what I saw at that point, as of
 17 August 30th.
 18 A I don't recollect that. So we owe him,
 19 approximately, nine million? Is that the case?
 20 Q Well, I don't know how much you -- yeah,
 21 I saw two million go over -- well, you owed six
 22 point two million is what it looks like that you
 23 owed him at closing. Because I didn't see -- I
 24 guess --
 25 A Okay. So we owed him -- okay. Due at

Page 299

1 THE WITNESS: If it says they wired it,
 2 I believe they wired it, yes.
 3 BY MS. SPRINGER-CHARLES:
 4 Q Towards the closing?
 5 A Towards the closing, yes.
 6 Q Okay.
 7 No money was available at the closing
 8 table, correct? No money was exchanged on August
 9 30th, 2013?
 10 A Well, whatever Craig had --
 11 Q On that date. On that date. There was
 12 no funds exchanged on that date?
 13 A Oh, I don't know. I thought we would've
 14 sent him money to buy the hotel.
 15 Q On date of the closing --
 16 A So no one wired money on the date of the
 17 closing?
 18 Q I didn't see any funds wired on the date
 19 of the closing.
 20 A I know we were short at the closing.
 21 Q Right.
 22 A We didn't have enough money to close. I
 23 know that.
 24 Q Okay.
 25 A I assumed we had given them money. So

Page 301

1 closing, I'm sorry, six two. And we didn't give
 2 him any money at the closing?
 3 Q I don't have any of it -- that's why I'm
 4 asking you, if any funds were transferred on that
 5 date? We'll continue to go, but I'm asking you --
 6 A If that's the case, I believe you.
 7 Q I'm not trying to trick you.
 8 A No. I just can't imagine we go to a
 9 closing, and we don't give the guy any money. It
 10 sounds insane to me, but it could've been that's
 11 what it was. I know we asked him to send other
 12 money later on, and that was the money that was
 13 borrowed by Revere, so --
 14 Q Okay.
 15 On 9/3, I saw two point five eight
 16 million dollars transferred from Les Evans's
 17 account, as well as one hundred fifty thousand,
 18 nine hundred and twenty dollars and eight cents
 19 transferred.
 20 A Oh, okay. Okay. So a couple of days
 21 later.
 22 Q A couple of days later I saw additional
 23 funds go --
 24 A Okay. Now it makes sense. Sorry.
 25 Q Okay.

Page 302

1 Then now, I guess, we talk about the
2 Revere Capital loan.

3 A Right.

4 Q It looks like Joe Walsh took out a three
5 point three million dollar loan secured by some
6 property that he owns from Revere Capital,
7 correct?

8 A That he owned or that --

9 Q Well, tell me.

10 A It was the Royal Palm deal --

11 Q Okay.

12 A -- with a fake lease.

13 Q What property was used to secure it?

14 A The Royal Palm deal.

15 Q Okay.

16 A The EB-5 loan.

17 Q So the space owned by the investors, or
18 was it the space separately owned by Joe Walsh?

19 A The space owned by the investors.

20 Q Okay.

21 Why did he do that?

22 A Why did he do a loan on his property?

23 Q Yes.

24 A Because he was short at the closing.

25 After all this work and all of his bravado, he

Page 304

1 for the purchase of the hotel, and that these
2 funds were ultimately sent from Mr. Galle's
3 account into Les Evans's trust account. Why was
4 that the case?

5 A We owed him X amount of money, and he
6 borrowed Y amount of money, and the difference
7 would go back to Joe -- I mean, go back to Les.

8 Q Well, that's my question. Was the
9 difference supposed to go back to Joe or to you?

10 A Well, not to me personally. It was --
11 my understanding was that the money that he
12 borrowed, he got it paid back, and that any other
13 monies were just the monies that Tony Reitz would
14 send in and would go back towards the hotel.

15 Q Did you tell Joe that you had received
16 this surplus into Les Evans's trust account?

17 A No, but Joe had all this. There's no --

18 Q Joe had all what?

19 A Joe had -- Joe knew everything that was
20 going on with the Revere. It was his deal. That
21 was his loan.

22 Q He knew that the one million -- the
23 million, sixty-four thousand, five hundred
24 eighty-five dollars (sic) and seventy-three cents
25 was going to come back into the trust account, Les

Page 303

1 didn't have enough money to close the loan. And
2 so Ryan lined up a loan that he PG'ed for between
3 thirty and, say --

4 MR. REINHART: You used the term "PG."

5 THE WITNESS: Personally guaranteed for
6 thirty to -- whenever the loan was paid back. I
7 guess within a hundred and twenty days that loan
8 was paid back. And so he used his building as
9 collateral, that I think he owned the entity. To
10 be fair, I think he did own the entity.

11 MR. REINHART: He meaning Joe?

12 THE WITNESS: Joe owned the entity,
13 Royal Development, LLC, I believe it was.

14 And so he put a bridge loan on that to
15 get the money to Glenn that was going to be a
16 couple of weeks late from the closing.

17 BY MS. SPRINGER-CHARLES:

18 Q Okay.

19 I'm showing you what's been previously
20 introduced as Exhibit 139. You can take a look at
21 these emails, but in looking at these, it looks
22 like there was a balance of one million,
23 sixty-four thousand, eight hundred fifty-eight
24 dollars and seventy-three cents remaining after
25 the funds were disbursed to Craig Galle and others

Page 305

1 Evans's trust account?

2 A I would say yes. I mean, I don't
3 remember having a conversation with him, but I
4 can't imagine anything but that.

5 Q Were those funds Joe's funds?

6 A Because he borrowed it from his
7 building?

8 Q Right.

9 A That's a good question.

10 Q Or the investor's funds?

11 A Well, he borrowed it from the building.
12 Which investors, the first group of investors that
13 he did the EB-5 deal or the Palm House investors?

14 Q Right. I'm trying to figure out whose
15 money was that.

16 A I don't know. I don't know whose it
17 was.

18 Q When I looked at the Exhibit 160 and how
19 the funds were used subsequently, it doesn't
20 appear to me that all of the funds were
21 necessarily used -- this is my question: Were all
22 of the funds used towards the construction of the
23 hotel?

24 MR. REINHART: All of which funds? I'm
25 sorry.

77 (Pages 302 to 305)

SEC_000705

Page 306

MS. SPRINGER-CHARLES: The one million, sixty-four thousand, eight hundred fifty-eight dollars and seventy-three cents.

THE WITNESS: So I believe those funds were used for the hotel, but I don't -- I mean, I'd have to go through and just see -- when did they come in 9/6/2013?

BY MS. SPRINGER-CHARLES:

Q Yes.

A So that's August 6th (sic).

Q Right before that, there's only nine thousand dollars in the account if we take these spreadsheets as correct. There's nine thousand dollars that belongs to -- I guess for your benefit or the hotel's benefit. And then thirty-three thousand comes in and it goes out, so that's a wash. You can cancel that out. Then the next thing you see is the Florida UCC. Then you see a Clerk of Circuit Court. Then New Haven.

A Oh, I see. So were some of those funds used for him to do the deal when he paid off the loan? Is that -- it could be. I'd have to know what that Florida UCC was. I don't know.

Q But that's negligible. That's like thirty-eight dollars.

Page 308

So the seller did not deposit any funds into escrow at closing or shortly thereafter? Because if I --

A The seller. Oh, he just did a due to -- remember my due to, due froms? Guess what they did at the closing? See these? See the broker's commission for a million eight? That was a due to, due from. So it's a really great example. So say that Glenn owns a brokerage fee that has to come off of his net price, right? That's a due to, due from. These items are due to, due froms.

So if I you owed a million dollars at the closing, but you owed seven hundred thousand dollars worth of stuff; for example, escrow for an air conditioning unit or an escrow for the two thousand dollar a day account that were late, or a lien, then they washed it. It's exactly what they did. Are you with me? It's a due to, due from.

Q She needs to be with you.

A But do you know what I'm saying?

MR. GALDENCIO: So the seller's funds that were due to them were reduced by those amounts?

THE WITNESS: He's got it exactly right.

MR. GALDENCIO: And then that becomes

Page 307

A And the thirty-three thousand is --

Q That's a wash, because I think thirty-three comes in, and I think that is for the loans, and Les Evans gets it as part of that deal, it looks like.

A Okay. But then 4/15/2003 --

MR. REINHART: No. You're going backwards.

THE WITNESS: Am I going backwards?

MR. REINHART: Yeah.

THE WITNESS: Sorry.

I don't know. It was either Joe's money or the hotel's -- I don't know which one is which, honestly.

BY MS. SPRINGER-CHARLES:

Q But it wasn't your money?

A It wasn't my money. I didn't own the building. I didn't do a refinance. No.

Q Okay.

We were talking -- the way we got here, I think, we were talking about the funds that were to be placed in escrow at closing, or held back.

A But we didn't place any in escrow at closing because there was no money.

Q Okay.

Page 309

the obligation of the buyer?

THE WITNESS: Yes. He's got it exactly, exactly right. That's exactly the deal.

MR. GALDENCIO: And how about that real estate commission, was that paid?

THE WITNESS: It -- well, I mean, I saw Les's documents that had it where he separated. I had it when it was altogether. In my mind, it was never paid because I saw a document that said he paid, for example -- I'm making this up, but let's just say a million dollars due towards mortgage when I clearly thought that was coming from Joe as a loan. So they -- at some point, they could've had that amount of money in there to do it, but I don't know if we ever got that paid.

MR. REINHART: Go back. Was the one point eight million dollar brokerage commission ever paid, as far as you know?

THE WITNESS: No. I think it's still owed.

MR. GALDENCIO: And is it owed? Is it a legal obligation to someone?

THE WITNESS: I don't know. I don't know if it's a legal obligation today. I have no idea.

Page 310

1 MR. GALDENCIO: Has anybody filed a
2 claim or --

3 THE WITNESS: No.

4 MR. GALDENCIO: So your experience in
5 real estate, one point eight million dollars
6 unpaid, nothing filed, it's probably not a --

7 THE WITNESS: Yeah. Okay. So the
8 million eight, just to remind you of my
9 conversation earlier, that I had a three sources
10 of these, a million one, a million one, and a
11 million eight -- I thought it was a million eight
12 seventy-five. It's a million eight thirty-one. So
13 I never put a claim against trying to get the
14 money when this blew up or anything. That's what
15 you're asking me?

16 MR. GALDENCIO: So your understanding is
17 that money is owed to you, the real estate
18 commission was owed to you?

19 THE WITNESS: It was a broker called
20 Wells or something, if you look in here.

21 BY MS. SPRINGER-CHARLES:

22 **Q Yes. H. Alan Wells was listed as the --**

23 A Yeah. H. Alan Wells was the broker. And
24 what it was, H. Alan Wells was a friend of Les's.
25 And very common in the real estate, that you don't

Page 312

1 MR. GALDENCIO: So we're actually
2 talking about three point one, plus additional
3 monies that to your understanding are due to you?

4 THE WITNESS: Absolutely, yeah. Yeah. I
5 mean, I'm doing a deal now, we don't have it done,
6 the development fee is five million dollars. So
7 doing a deal that's this magnitude working on it
8 for three years and ten months to buy it back and
9 making -- I mean, this is then, not today, but
10 making that amount of money then wasn't a big deal
11 to me. I think in '07, I made like twenty some
12 odd million dollars. Today, that would be the
13 moon to me because of where I am. But back then
14 it wasn't a big deal to go make a million eight
15 after all the work we did and negotiated. We got
16 this think at a steal. The appraised value, I
17 probably had seventy million dollars ahead of what
18 it was worth at the closing. Glenn had no idea
19 what he had. So, yes, that's absolutely my
20 understanding.

21 MS. IVORY: Just to confirm, by the use
22 of the one point eight million dollar brokerage
23 fee, pretty much that's one point eight million
24 dollars less you had to pay out at closing?

25 THE WITNESS: Yes. Yes. Along with all

Page 311

1 pay the commission if you're -- if I'm buying a
2 building for a dollar, and the commission is ten
3 cents, I'm only giving you ninety cents. That's
4 pretty common, right, if it's my obligation. It's
5 the same thing here, that was never paid. HG
6 Wells, or whatever his name was, was going to do
7 it for -- I don't know five or twenty-five grand.
8 It was never going to go to H. Alan Wells. It was
9 never the intent.

10 MR. GALDENCIO: Was it to go to you?

11 THE WITNESS: It was always supposed to
12 go to me. I never took it, but it was there so
13 that when we fought with Glenn, so thank God we
14 had it in because we lost the nine fifty on the
15 other side, but -- so I never collected it, but it
16 was there. I guess if I wanted to push it, I
17 could've, but the money was never there, so I
18 never did.

19 MR. GALDENCIO: So your understanding is
20 the million that -- plus that's owed on the real
21 estate commission is owed to you in addition to
22 the other fees that we had talked about
23 previously?

24 THE WITNESS: The two one one, yeah.
25 Yeah.

Page 313

1 these other numbers.

2 MR. REINHART: So it effectively reduced
3 the purchase price by one point eight --

4 MS. SPRINGER-CHARLES: I understand
5 that, but to me you can't have it both ways. I
6 want to understand.

7 BY MS. SPRINGER-CHARLES:

8 **Q Does it wash the escrow amount that**
9 **Glenn Straub was supposed to set aside, or was it**
10 **just lowering the purchase price?**

11 A Well, it was doing both, right?

12 **Q Help me.**

13 A Let's just say that I'm going to buy a
14 building --

15 MR. REINHART: Work off of this. Work
16 off the real numbers.

17 THE WITNESS: Sorry. Sorry.

18 So this building is going to cost
19 thirty-six million, six twenty-five, right? Can I
20 say that? And if you add up all the numbers on
21 the left, except for the seller financing, then
22 how much is that? About twenty-seven four to
23 thirty-four. So that's almost three million
24 dollars, right?

25 BY MS. SPRINGER-CHARLES:

Page 314

1 **Q Okay.**
2 A You with me?
3 **Q Yeah.**
4 A Okay. Because the twenty-seven four is
5 the purchase money mortgage.
6 **Q I got it.**
7 A You've just got to take paper back for
8 that, so you don't owe it.
9 **Q Gotcha.**
10 A Okay.
11 So there's about three million dollars.
12 And of that three million dollars, you're not
13 paying it at the closing. It was never paid at
14 the closing. We didn't have the money. So if it
15 showed that we owed, for example, I'm making this
16 up, sixty two -- if it showed we owed him six two,
17 we really didn't have to come up with the six two.
18 We had to come up with --
19 **Q Less -- first, less one point eight as**
20 **broker's commission? I there with you.**
21 A Right. And all these things here, which
22 equal about three million dollars.
23 **Q Right.**
24 A Right? Down to the twenty-seven four --
25 **Q But you were telling me before that it**

Page 316

1 BY MS. SPRINGER-CHARLES:
2 **Q Glenn didn't pay?**
3 A But --
4 MR. REINHART: Hold on. Just answer
5 that question, that specific question.
6 BY MS. SPRINGER-CHARLES:
7 **Q No?**
8 MR. REINHART: Glenn never paid cash for
9 these expenses over here?
10 THE WITNESS: No, I don't believe he
11 paid cash, but, I believe, this gentleman can
12 confirm he got a credit for that amount of money
13 as if he paid cash. Right?
14 MR. GALDENCIO: I follow what you're
15 saying.
16 THE WITNESS: Okay. Thank you.
17 MR. GALDENCIO: And I'd just like to
18 clarify something because I misspoke on a number.
19 It was one point eight million. Before I was
20 saying it was one million and change. But it's
21 one point eight million on the commission. So you
22 were entitled -- your understanding is you were
23 entitled to one point eight million, plus the
24 other two million --
25 THE WITNESS: Plus the two two.

Page 315

1 was a due to/from with the escrow, and you were
2 trying to clear that up with the one point eight,
3 but I don't think you can do both. They're
4 separate amounts. So it's just one or the other.
5 I don't think it can be both.
6 A I don't understand. What do you mean
7 when you say --
8 **Q The first --**
9 A -- it can't be both?
10 **Q Did Mr. Galle put the seven hundred and**
11 **forty-four thousand or whatever it was supposed to**
12 **be in escrow?**
13 A It was deducted and had to go into
14 escrow afterwards. So let me go slow. So when --
15 MR. REINHART: Answer her question. At
16 any point in time, did Glenn put seven hundred and
17 some thousand dollars in escrow, as far as you
18 know?
19 BY MS. SPRINGER-CHARLES:
20 **Q With Les Evans?**
21 A No. No.
22 **Q No. Okay.**
23 MR. REINHART: So all these numbers on
24 the left here that says Glenn's going to pay,
25 Glenn never paid?

Page 317

1 MR. GALDENCIO: -- two two million --
2 THE WITNESS: Right.
3 MR. GALDENCIO: -- so it's really four
4 million dollars?
5 THE WITNESS: Right.
6 BY MS. SPRINGER-CHARLES:
7 **Q You're going to have to stay with me on**
8 **this because --**
9 A I will. I promise. I'm trying hard.
10 **Q You guys maybe get it, but here --**
11 **because I feel like this money is getting counted**
12 **twice, and I don't think -- at least in my head.**
13 **Let's take it slow. If you can stick with me and**
14 **help me to understand it.**
15 You owed -- forget the thirty-six point
16 seven million. You owed thirty-six million, six
17 hundred twenty-five thousand dollars, correct? You
18 have -- the seller is giving it financing,
19 twenty-seven million?
20 A Uh-huh.
21 **Q Got it.**
22 There's some other deductions that are
23 going to happen, and those deductions are the one
24 point eight million dollars, plus all these other
25 fees that are related to the liens that are on the

Page 318

1 property and funds owed to other individuals. And
2 so when you subtract that amount, what you really
3 have to come up with is six point two million
4 dollars, correct?

5 A I think that's correct.

6 Q I'm just reading what the paper says.

7 A Yeah, I believe that's correct.

8 Q Okay.

9 And when we added up all the funds, I
10 think six point two million ultimately gets
11 transferred to Glenn Straub. I believe that
12 happened when I looked at the paper trail. It
13 does get transferred to Glenn Straub. An escrow
14 account was supposed to be set up.

15 A It gets transfer to Glenn Straub?

16 Q The six point two million, I'm saying. I
17 believe it did. Correct me if I'm wrong. Am I
18 correct? He does get the six point two million
19 dollars?

20 A Okay. I'm just saying he gets the
21 benefit of the six point two million dollars.

22 Q I believe he actually got cash. When I
23 looked at all of the transactions, I believe six
24 point two was transferred towards the closing on
25 this property. Whether or not it happened right

Page 320

1 for you, Bob.

2 BY MS. SPRINGER-CHARLES:

3 Q Then I see nine hundred thousand go in
4 from South Atlantic Regional Center on 9/26/2013.
5 Maybe my math is off, so please -- then I saw two
6 million, five hundred eighty thousand dollars
7 transferred on 9/3/2013. And I saw one hundred
8 fifty thousand, nine hundred and twenty dollars
9 and eight cents transferred on 9/3/2013. Both of
10 those amounts came out of Les Evans's trust
11 account, the last two amounts that I --

12 MR. REINHART: One of those is the
13 proceeds of the Revere loan.

14 MS. SPRINGER-CHARLES: It is not --
15 well, let me look at this account. This Revere
16 money does not come in until November 26th,
17 2013 -- September 4th. Okay. Let's see.

18 MR. REINHART: The Revere money goes to
19 Galle directly. It doesn't go --

20 MS. SPRINGER-CHARLES: Right. And I'm
21 getting there, I guess.

22 MR. REINHART: Okay.

23 MS. SPRINGER-CHARLES: It goes to Galle
24 directly. Did I get there in my outline yet with
25 you? Maybe not.

Page 319

1 before or after, but ultimately he got the six
2 point two million is what I see in the paperwork.
3 Am I incorrect or am I correct?

4 A No, I don't know now.

5 Q You don't know.

6 A I don't know now, because now you're
7 scaring me a little bit. I don't know. I was
8 with him in the sense that this is a deduction --

9 Q I get that.

10 A -- and that he got credit for it, but he
11 didn't actually get the money. You're saying he
12 actually got the money?

13 Q Yes.

14 A I didn't know that. Well, then we lost
15 an extra three million dollars.

16 MR. REINHART: We've been through this,
17 as well. Just follow her.

18 THE WITNESS: Okay.

19 MR. REINHART: Maybe you should go
20 through and show him the deposits you see going in
21 that add up to six million.

22 MS. SPRINGER-CHARLES: I think we just
23 went over that. So I saw two million dollars go
24 over on 8/15/2013 from Les Evans's trust account.

25 MR. REINHART: Okay. I'm making a list

Page 321

1 Eight hundred and ninety thousand
2 dollars and seventy-eight cents went to Galle
3 directly. I don't know what the total is on that.
4 What's the total?

5 MR. GALDENCIO: Well -- so you have the
6 two million, nine hundred thousand, two million
7 five hundred eighty thousand, and one hundred
8 fifty-one thousand. Is that --

9 MS. SPRINGER-CHARLES: One hundred fifty
10 thousand, nine hundred twenty dollars and eight
11 cents.

12 MR. GALDENCIO: I'm sorry. One fifty --
13 so one fifty-two, we'll call it.

14 MS. SPRINGER-CHARLES: And then
15 ultimately eight hundred and ninety thousand
16 dollars and seventy-eight cents. I don't know
17 what the total of that is.

18 MR. GALDENCIO: It's almost six.

19 MR. REINHART: Six point six.

20 MS. SPRINGER-CHARLES: Right. So I'm
21 saying that I think --

22 THE WITNESS: I figured it out. I
23 figured it out. I'm sorry.

24 BY MS. SPRINGER-CHARLES:

25 Q Because that's why I thought the money

Page 322

1 **was being double counted.**

2 A I'm sorry. Yeah, I figured it out. So
3 it's really simple. It says it right here on the
4 page.

5 **Q Okay.**

6 A And this is what it says. See what it
7 says? It says, seller deductions. So what they
8 did is they netted out all that money. So if
9 Glenn actually paid it at the closing, we would've
10 added three million dollars more to the closing.
11 Right? You're with me?

12 **Q I'm there.**

13 A Yeah. So we did pay whatever number --

14 **Q The six point two.**

15 A -- but the number would've been higher.

16 **Q Got it.**

17 A That's it. That's the answer.

18 **Q Got it. So now we're back to my
19 question now.**

20 A See this. It would've been like nine
21 one. See, this that's the three and the six.
22 That's what it would've been, the actual cash that
23 was needed.

24 **Q I completely, completely understand.**

25 A Okay. All right. Sorry. I'm sorry.

Page 324

1 right.

2 She's right.

3 BY MS. SPRINGER-CHARLES:

4 **Q And I was there before.**

5 A Sorry. I wasn't. I'm sorry, guys. I'm
6 sorry. I wasn't.

7 **Q So the one point eight, technically
8 speaking, based on the documents that were
9 executed, you were supposed to pay it on behalf of
10 the seller to the broker, correct? You were
11 supposed to pay it?**

12 A Yeah.

13 **Q Instead paying it to Glenn, you were
14 supposed to pay it to a broker technically is what
15 it looks like, am I right?**

16 A Yeah. It was a deduct. You can say it
17 that way.

18 **Q Okay. But to help me --**

19 MR. REINHART: Work with her mind-set.

20 THE WITNESS: I'm trying to. Sorry.

21 BY MS. SPRINGER-CHARLES:

22 **Q Now, the funds that were supposed to be
23 in escrow, did you put them into escrow?**

24 A So then what happened is Joe sent money
25 in into the account, and then as he did, Les,

Page 323

1 **Q I'm still there. I'm still there. The
2 one point eight million, you then were supposed to
3 pay that to a broker based on the written
4 agreements that -- the written agreements? We'll
5 get to what happened in reality. Correct? On the
6 seller's behalf, were you supposed to pay the one
7 point eight million dollars to a broker?**

8 A We didn't have anything in writing to
9 that effect, but that was a way to --

10 **Q To lower the purchase price --**

11 A -- get a million eight --

12 **Q Off of the purchase price?**

13 A -- towards the good guys.

14 MS. IVORY: So is it safe to say that
15 it's pretty much in essence you are covering the
16 seller's cost with these expenses here? So the
17 one point eight should've been technically by the
18 seller, but --

19 THE WITNESS: Yeah, technically, every
20 one of these line items should've been paid.

21 MS. IVORY: Right. Exactly.

22 So I think that's why you brought up the
23 due to, due from to kind of explain it to her, and
24 I think --

25 THE WITNESS: And I lost it. You're

Page 325

1 under my understanding, separated out money to put
2 in to hold these other monies, these one fifty,
3 these retainage, the clearing lien, all that stuff
4 was held as that money came in.

5 **Q That was my original question. I got it
6 now.**

7 A Okay. Sorry. Sorry.

8 **Q And so my record's clear, you never paid
9 the one point eight million dollars to the broker?**

10 A Yes.

11 **Q Even though the paperwork said that you
12 should've because of there was some unwritten
13 agreement where the function of that was just for
14 you to keep -- to lower the purchase price of the
15 hotel --**

16 A You would've made that guy's life --

17 **Q -- correct?**

18 A -- if somebody just walked in and gave
19 him a check for a million eight --

20 MR. REINHART: Answer the question.

21 THE WITNESS: Yes.

22 BY MS. SPRINGER-CHARLES:

23 **Q Okay.**

24 **So you believe that was your money?**

25 A That was never collected, yes.

Page 326

1 **Q That was never collected. Okay.**
2 **And you believe that Les Evans had set**
3 **aside the escrow money?**
4 A Yes, as the money came in.
5 **Q Was it ever disbursed?**
6 A I think the problem was that he ran it
7 all here. He just co-mingled everything. I think
8 that was the issue with Les.
9 **Q I'm going to show you -- just make sure.**
10 **Looking at the agreements, the seller, Straub, had**
11 **sixty days to pay the fine -- to have the fine**
12 **stop accruing.**
13 A Right.
14 **Q It never happened, right?**
15 A Right.
16 **Q What funds was he supposed to use to pay**
17 **that fine, the funds that were in escrow or his**
18 **own separate fund?**
19 A So what happened was, I believe, it was
20 sixty or ninety days later, he was supposed to do
21 it. If he didn't do it, whatever it was, we gave
22 him an extra thirty days to do it.
23 **Q Okay.**
24 A I called up Craig, and I said, your
25 client's about to lose five hundred and eighty-six

Page 327

1 thousand dollars, we're keeping that money. Okay.
2 Because the agreement was, if you don't pay it,
3 you lose it. So he didn't pay it. He lost the
4 money. It went into the project.
5 **Q If he was able to pay it, if the City**
6 **had said, okay, the town said we're going to stop**
7 **it --**
8 A And it's five eighty-six, yeah.
9 **Q -- where was the money supposed to come**
10 **from, from the escrow account?**
11 A Yes.
12 **Q Okay.**
13 **If he wasn't successful, which he**
14 **wasn't, did he still have the obligation to work**
15 **with the town to get this fine to stop accruing?**
16 A Not only does he have, he still has it.
17 It supersedes -- if you read the contract, it
18 supersedes the closing. So if that fine is two
19 five today, I specifically, knowing Glenn Straub
20 as I do, put in a set off from that mortgage
21 because it's twenty-seven five, I have a set off
22 for that two five.
23 **Q What was necessary for Glenn to get --**
24 **what is necessary for him to get the fine to stop**
25 **accruing?**

Page 328

1 A Today in real life?
2 **Q Yeah, in real life.**
3 A Yeah. Today, all you'd have to do is go
4 in and show the town that you have the money to
5 finish it. They would be thrilled. At one point
6 we were talking to the town about settling that
7 fee for two million, three million -- I mean, two
8 hundred, three hundred thousand dollars. They
9 don't really -- they're not in the business to
10 collect -- they want to get the hotel done.
11 They're almost as frustrated as I am.
12 **Q Back then why didn't Glenn get it taken**
13 **care of?**
14 A Glenn, under the definition, if you look
15 at Wikipedia under Glenn Straub it says, most
16 litigious person in South Florida. Glenn doesn't
17 care about doing any -- I mean, Glenn loves to
18 have coffee with you in the morning, sue you in
19 the afternoon, and play tennis with you in the
20 evening. He has this thing where it's fun. He
21 loves going to court.
22 **Q Did you do anything to, you know, try to**
23 **stop the accrual of the fine?**
24 A Yes, absolutely.
25 **Q What did you do?**

Page 329

1 A Well, we worked on getting the project
2 CO'ed, so TCO'ed all of the rooms --
3 MR. REINHART: You're using acronyms.
4 THE WITNESS: Sorry. Sorry.
5 MR. REINHART: What's a CO and TCO?
6 THE WITNESS: We got temporary
7 Certificate of Occupancies at one point for the
8 rooms. So all of the rooms were done before you
9 get your final CO. You know, if you're moving
10 into a house. So we had the rooms all TCO'ed. And
11 we had other spaces, the spa, and the function
12 room, we had made a deal with the City that those
13 could be white spaced; in other words, just four
14 walls and sprinklers, and you didn't have to
15 finish those and get COs. So we were close to
16 getting that fine done. We were working hard to
17 get it done.
18 BY MS. SPRINGER-CHARLES:
19 **Q And why haven't you been successful?**
20 A On getting it done?
21 **Q Yeah.**
22 A Well, this certain gentleman stole like
23 twelve and a half million bucks, went to Hong
24 Kong, never to be seen again, put up a fake
25 mortgage on a second on the property backdated,

Page 330

1 which messed up my title, and I've had a hell
 2 of -- and then I have two contracts to get the
 3 financing, and he killed both of those contracts.
 4 That's why I haven't been able to get it don.
 5 **Q I get it. Maybe I needed to be more**
 6 **specific. Do you need to get TCO in order --**
 7 **A A CO.**
 8 **Q A CO.**
 9 **A You need to get the final CO.**
 10 **Q You need to get the final CO to get**
 11 **this -- not just pay the money -- in addition to**
 12 **paying the fine, you need to also get the CO for**
 13 **the fines to stop running?**
 14 **A Yes. Yes.**
 15 **Q Okay. Okay.**
 16 **When did Joe Walsh learn about this**
 17 **issue, this two million dollar a day fine that was**
 18 **accruing?**
 19 **A Two million. Two thousand a day.**
 20 **Q Two thousand dollars.**
 21 **A That's even a big number for me.**
 22 **Q When did Joe Walsh learn about that?**
 23 **A From the beginning.**
 24 **Q And how do you know?**
 25 **A Well, because I told him about it. I**

Page 332

1 **December of 2012, and the City again said, no, you**
 2 **have a firm deadline of February the 14th, 2013 in**
 3 **which to complete the hotel. Did Joe know that**
 4 **all of those things were going on at the time?**
 5 **A I don't know what Joe knew. But just so**
 6 **you're clear what happened, that's not exactly**
 7 **what happened.**
 8 **Q Okay.**
 9 **A What happened was, that we were in a**
 10 **recession, and so the Governor passed a law, so if**
 11 **you had an outstanding building permit and you**
 12 **were under construction, you could go in and get a**
 13 **two-year extension. So he went in and got a**
 14 **two-year extension.**
 15 **Q Right.**
 16 **A Okay. And then what happened was, they**
 17 **passed another that you could ask for another**
 18 **two-year extension. And what happened was -- and**
 19 **this was told to me by the council, some of the**
 20 **members of the town council, if it was anybody**
 21 **else, they would've given him the extension, but**
 22 **Glenn and Palm Beach, they didn't like him, so**
 23 **they were never going to give him the extension.**
 24 **But legally there's a lawsuit today, if he really**
 25 **fought it, he'd probably win.**

Page 331

1 negotiated it in the contract. He had the
 2 contract. He knew the deal.
 3 **Q In what contract?**
 4 **A The contract to buy the hotel. It'll be**
 5 **there in three places. I could find it, but**
 6 **there's three places that recites the fine and**
 7 **says exactly what you have to do when you have --**
 8 **and that it supersedes the closing.**
 9 **Q And Joe saw the contract?**
 10 **A Yeah, I'm sure he got a copy of the**
 11 **contract. There's no doubt.**
 12 **Q Because you sent it to him or you showed**
 13 **it to him?**
 14 **A Okay. I do have a doubt. I don't know**
 15 **if I sent him the contract, but I imagine he saw**
 16 **the contract.**
 17 **Q At the time that you initially started**
 18 **negotiating with Joe --**
 19 **A With Joe? Not with Glenn? With Joe?**
 20 **Q With Joe. When I look at the timeline**
 21 **of how things played out, it looks like in July, I**
 22 **think, of 2012, Glenn had went to the City to try**
 23 **to get the timeline for completion extended, and I**
 24 **think the City said no. And I think he went back**
 25 **later maybe in December, I could be wrong, but in**

Page 333

1 **Q Do you know, you may not know, but do**
 2 **you know when Joe learned of the lawsuit?**
 3 **MR. REINHART: Which lawsuit? I'm**
 4 **sorry.**
 5 **MS. SPRINGER-CHARLES: The one Glenn**
 6 **Straub filed against the City.**
 7 **THE WITNESS: From the beginning. That's**
 8 **why I did an offset, so that if the fine was up to**
 9 **twenty-seven million four, I didn't care, because**
 10 **it was offset for the debt that you owed the man.**
 11 **BY MS. SPRINGER-CHARLES:**
 12 **Q And how do you know that he knew that**
 13 **from the beginning?**
 14 **A Well, I don't remember talking to him**
 15 **about it, but -- I actually -- you know what? I**
 16 **do remember talking to him about it because I told**
 17 **him I would make sure it was covered in the**
 18 **contract. I do remember telling him that.**
 19 **Q Okay.**
 20 **The last question, you discussed that**
 21 **back when you were entering into the business**
 22 **relationship with Joe?**
 23 **A Yes.**
 24 **MS. SPRINGER-CHARLES: Off the record.**
 25 **(A brief recess was taken.)**

Page 334

1 MS. SPRINGER-CHARLES: Back on the
2 record.

3 BY MS. SPRINGER-CHARLES:

4 Q Mr. Matthews, did you have any
5 substantive discussions with any members of the
6 staff while we were off the record?

7 A I don't believe they were substantive.

8 Q Okay.

9 We were talking about the fines that
10 were accruing on the property for failure to
11 complete the construction by February of 2013. I'm
12 showing you what's been previously marked as
13 Exhibit No. 7. It's a copy of an email and an
14 attached letter from Jade Yu to Joe Walsh, bcc'ing
15 you. And Jade says, "Good afternoon, Joe. I
16 trust this message finds you most excellent. Bob
17 asked me to send you the attached letter of
18 explanation."

19 And in this letter it appears that --
20 did you write and sign this letter?

21 A I didn't.

22 Q You did not write it?

23 A I didn't write it or sign it.

24 Q Who's signature it that?

25 A I think Jade probably signed it. But

Page 336

1 Q It looks like -- the last four pages, I
2 believe. I'm sorry.

3 MR. REINHART: Starting with 4592 is the
4 Bates?

5 MS. SPRINGER-CHARLES: Correct.

6 MR. REINHART: Thank you.

7 MS. SPRINGER-CHARLES: And going through
8 45 -- well, 91 is the last page of it.

9 BY MS. SPRINGER-CHARLES:

10 Q It looks like the account was split. And
11 if we look at the last page, we see 9/3/13. It
12 says, deposit. Do you see that?

13 A Yes.

14 Q And it says -- in the memo it says, Loan
15 from R. Matthews, and the amount is the amount of
16 the broker fee that we talked about. Can you tell
17 me why Les Evans did this?

18 A I have no idea.

19 Q Did you -- I believe I know the answer,
20 but I'll ask for the record. Did you make a loan
21 of one million, eight hundred and thirty-one
22 thousand, two hundred and fifty dollars to 160
23 Royal Palm or Palm House, LLC?

24 A I believe the loan he's referring to is
25 if the broker's fee was paid, and what Les did Les

Page 335

1 I'm sure I told her to --

2 Q Did you tell her to do so?

3 A Yeah.

4 Q Why did Jade send Joe this letter at
5 this time?

6 A I believe Joe was getting questions on
7 the lawsuit and that's why he wanted the backup.

8 Q So this wasn't the first time that he
9 was made aware of this issue?

10 A No. This is sort of a formal letter to
11 show -- somebody must've asked him about it. It
12 was in the paper. And so this was to give a
13 formal letter. Joe asked for this letter
14 specifically.

15 Q Looking at Exhibit No. 160, I believe,
16 which were the Quick reports from Les Evans's
17 account. At some point, it appears that the
18 account was split into about two or three
19 different subaccounts. If we look at the last one
20 just for ease of reference. We can all look at
21 the same thing. It's the one at 11/10/14.

22 A This one?

23 Q Yes. The last three pages, I believe,
24 of that account.

25 A Right.

Page 337

1 did.

2 Q So the answer to my question is no or
3 yes?

4 A Sorry. Could you say the question
5 again.

6 Q Did you make a loan of one million,
7 eight hundred thirty-one thousand, two hundred and
8 fifty dollars to either 160 Royal Palm or Palm
9 House, LLC?

10 A Not knowingly.

11 Q You just did not --

12 MR. REINHART: Just clarify your
13 question. Are you asking did he actually transfer
14 one million, eight hundred and thirty-one
15 thousand, two hundred and fifty dollars?

16 MS. SPRINGER-CHARLES: Yes. That's the
17 first question. Did you actually transfer that
18 amount?

19 THE WITNESS: Oh, no.

20 BY MS. SPRINGER-CHARLES:

21 Q Okay.

22 Do you notice that the fees that appear
23 underneath this amount are the fees that are
24 related -- I believe these fees are related to
25 your home, as well the 149 Brazilian, LLC

Page 338

1 **property? Do you see the purchase of that**
2 **property there?**

3 A Yes.

4 **Q Do you know, again, why things were set**
5 **up this way?**

6 A I don't, but I can tell you that some of
7 the fees in here are specifically related to the
8 loan that Joe lent me money on. So I wouldn't
9 have taken the money twice. I believe it was just
10 Les's accounting.

11 **Q So you still today -- I think Tim talked**
12 **about it -- believe that you're owed this one**
13 **point eight million dollars, approximately, one**
14 **point eight million dollars?**

15 A Yes.

16 **Q Yes?**

17 A Yes. If you want to ask me if I think
18 I'm going to get, it'll be a different question,
19 but, yes.

20 **Q I think this is going to be our last**
21 **question, but let me find it.**

22 **I'm showing you what's been previously**
23 **marked as Exhibit No. 133. It's a composite**
24 **exhibit of similar type Quick report entries -- or**
25 **reports. Turn with me to -- turn with me to the**

Page 340

1 Whether he thinks I got it, I don't really know.

2 **Q By paying those expenses that we saw**
3 **that were related to the house at 149 Brazilian?**

4 A The problem with -- nothing against Les,
5 is that I think it's just sloppy bookkeeping
6 because Les knew that the money from the house was
7 from Joe. So you can't have it both ways.

8 **Q Right. That's what I was going to --**

9 A You know what I mean? Nothing against
10 Les. He's a nice guy. But I mean, he paid us two
11 hundred and fifty thousand dollars too much money.
12 I don't even know how you do that.

13 **Q So you still owe him that two hundred**
14 **and fifty thousand?**

15 A Yeah. He sent two fifty over.

16 MR. REINHART: To clarify us, which us?

17 THE WITNESS: He sent it to 160. Not to
18 me, but to the hotel.

19 BY MS. SPRINGER-CHARLES:

20 **Q Let's look at the page that's Bates**
21 **labeled 577. It's 4/25/14. So if you go**
22 **backwards.**

23 A Sorry. Thank God you're here.

24 **Q This handwriting on the top of it, who's**
25 **handwriting is that?**

Page 339

1 report that's there in chronological order.
2 There's one that's 5/23/14, and the Bates label is
3 LESEVANS-000587.

4 A Okay.

5 **Q There's some handwriting on that page.**
6 **Do you know whose handwriting that is?**

7 A Not mine.

8 **Q The note there, I believe, says -- it's**
9 **9/3/13. It says, "RVM lent to 160 one million,**
10 **eight hundred thirty-one thousand, two hundred and**
11 **fifty dollars. Then from there, they paid it**
12 **back."**

13 Was that a true statement?

14 A Then from there they paid it back?

15 **Q That's what it says.**

16 A I don't really understand what it even
17 means. Then they paid it back.

18 **Q Okay.**

19 A I mean, if I were guessing, I believe it
20 was Les trying to keep track of the money. That's
21 what I think it is.

22 **Q Does Les believe that you got the**
23 **benefit of the one point eight million dollars, to**
24 **your knowledge?**

25 A I mean, I think he thinks I deserved it.

Page 341

1 A I don't know. Les, please make sense --

2 **Q I think it says, make sure all items are**
3 **listed. Do you know who's handwriting that is?**

4 A I don't. I have no idea. Maybe his
5 bookkeeper. I don't know.

6 **Q It's not yours?**

7 A Oh, no. No. No. Mine's atrocious.
8 It's sharp.

9 **Q All right.**

10 I think the last question on the
11 property, and then I'm done. What is the 2007
12 Declaration of Use Agreement that you entered into
13 the town of Palm Beach? Again, I'm not from your
14 world, so I don't know what that document does.
15 What is that document?

16 A So there are a number of Declaration of
17 Use Agreements. I believe there were three from
18 the beginning.

19 **Q Right. Because there were two**
20 **subsequent amendments, I think.**

21 A Yeah. From the beginning, so when I
22 originally bought the hotel in '06. So it's an
23 agreement with the town where it says, Dearest
24 Developer, you're going to finish this project by
25 X-amount of time, or we're going to charge you a

Page 342

1 penalty. You can do Declaration of Use. You can
2 have a hundred and fifty seat restaurant, and
3 you're not in a hotel zone. You're in
4 nonconforming use. And we're going to let you add
5 a floor on to the hotel, and you're going to have
6 so much open space.

7 So it's really just a deal. It's you,
8 the City, negotiating with me on what deal you
9 want, and I'm trying to negotiate my best deal
10 with the City. And then in that Declaration of
11 Use, I had asked for various variances, so they
12 would give me variances, like, for example, that
13 hotel is almost no open space because it's all
14 concrete, construction, parking garage. There's
15 very little open space. So they may have a
16 requirement for thirty percent. I had eighteen
17 percent. And they give you a variance. And
18 that's all in that agreement.

19 **Q Those agreements, the original one and**
20 **the two amendments, that is separate -- those are**
21 **separate and apart from the permits necessary to**
22 **engage in construction?**

23 A Yeah. They're really all the same.
24 You're not going to be able to -- you have to have
25 that Declaration of Use Agreement sort of

Page 344

1 **want to clarify anything that you said today?**

2 THE WITNESS: No. I think we're pretty
3 good.

4 MS. SPRINGER-CHARLES: Do you want to
5 add anything to more completely respond to any
6 statements you've said today?

7 THE WITNESS: I would like to just say
8 on the record that I hope that you understand how
9 big of a deal this hotel is to me and what it
10 meant. I bought it originally in '06 for
11 twenty-nine million, put down ten million in cash.
12 It had, approximately, twenty-four variances,
13 which was a record. The most was six in that
14 town. And it's the deal that cost me because I
15 PG'ed this -- personally guaranteed this debt, and
16 it's the deal that tumbled almost two million
17 square feet. So that I started with two thousand
18 dollars and a poor family house. I wasn't a trust
19 fund baby in Palm Beach. And I lost everything
20 because of this hotel.

21 I then fought for three years and ten
22 months to get it back and worked on it when I
23 didn't even own it. When Glenn did. And I worked
24 hard to get it back. And then I got it back, and
25 I was very excited and doing a great job, and then

Page 343

1 codifying what you're going to do with the hotel,
2 how many rooms you're going to have, how big they
3 are. So it's a way for them to really hold a
4 hammer over you to make sure they get what they
5 want out of the deal.

6 **Q How is it different than a permit, or is**
7 **it not? I think I just asked, but I want to**
8 **understand.**

9 A Well, a permit is different. So you're
10 going to go and I'm going to go to the Building
11 Department, and I'm going to -- and there's
12 construction that's been going on. I'm going to
13 take out a permit to do this work. I'm going to
14 send in a set of blueprints. But those blueprints
15 are going to be based on the Declaration of Use
16 Agreement.

17 **Q Okay.**

18 MS. SPRINGER-CHARLES: Okay. And I
19 think now is a good time to adjourn for today.

20 Mr. Matthews, I just want to remind you
21 that this is a confidential non-public
22 investigation. We are adjourning things for
23 today, but we'd like to resume -- I think we've
24 set the date to February 13th, 2017 at 9:30 a.m.

25 Do you necessarily wish to -- do you

Page 345

1 I got the rug pulled out underneath from me in the
2 biggest way. Except for me being in coma eighteen
3 years ago, my life is completely upside down. I've
4 lost everything.

5 And I just want you to know that this
6 is -- I'm gonna to find the money to finish this
7 hotel. I'm going to help the guys on the federal
8 lawsuit and cooperate with them. And I'm going to
9 get this thing built regardless of what Joe Walsh
10 did to me. Even if I have to pay back the money
11 that I never got, I would pay that back to the
12 federal guys just to do the right thing and get
13 this money back. And I believe that besides Mark
14 Walsh and myself were the only two guys that want
15 to help these guys out --

16 MS. SPRINGER-CHARLES: Mark Payne.

17 THE WITNESS: I'm sorry. Mark Payne.
18 Freudian slip -- that want to help these guys to
19 get their money back, because I think this is --
20 I've never been such a victim, and then been
21 accused of stealing money. It's been a horrible,
22 horrible, horrible experience for me. And the
23 worst part is, the guy that took the money is
24 using the stolen money to fight me, and it's been
25 not fun. That's all.

87 (Pages 342 to 345)

SEC_000715

Page 346

1 But I just want you to know, I'm going
 2 to finish this somehow, some way. I'm going to
 3 keep going, and I'm going to get this -- I've got
 4 my whole life on it. I live in a really small
 5 town. It's a very political town. And I plan on
 6 getting it back, and I plan on inviting my
 7 President to the opening and making it work. So
 8 that's all I wanted to say.

9 MS. SPRINGER-CHARLES: Mr. Reinhart, I
 10 think we were pretty good at allowing you to
 11 clarify as needed.

12 MR. REINHART: Oh, yeah.

13 THE WITNESS: Do you which to clarify
 14 anything?

15 MR. REINHART: No. Thank you for
 16 offering. Thank you. I appreciate the courtesy.

17 MS. SPRINGER-CHARLES: Off the record at
 18 4:26 p.m. on January 31st, 2017.

19 (Whereupon, at 4:26 p.m., the
 20 examination was concluded.)

21 * * * * *

Page 347

1 PROOFREADER'S CERTIFICATE

2
 3 In the Matter of: PALM HOUSE, LLC

4 Witness: Robert Viers Matthews

5 File Number: FL-03930-A

6 Date: Tuesday, January 31, 2017

7 Location: Miami, Florida 33131

8
 9 This is to certify that I, Donna S. Raya,
 10 (the undersigned), do hereby swear and affirm that
 11 the attached proceedings before the U.S. Securities
 12 and Exchange Commission were held according to the
 13 record and that this is the original, complete, true
 14 and accurate transcript that has been compared to the
 15 reporting or recording accomplished at the hearing.

16
 17 _____
 18 (Proofreader's Name) (Date)

A	2:6,7	209:14	263:16	133:20	106:23
a.m 1:15 5:3	134:25	210:17	322:22	146:6	108:24
93:6 113:25	136:8	211:7 275:3	add 124:19	administra...	113:2
280:21	137:25	accrual	192:19	148:10	167:16
343:24	198:21	328:23	194:20	advance	199:18
A1A 168:14	199:2 210:4	accruing	262:24	53:19	279:1
169:2	211:1	326:12	275:1	214:23	agreed 70:24
AA 26:23	212:16	327:15,25	277:21	adverse 8:23	109:3
able 70:18	214:10,17	330:18	294:9,11	advise 154:10	110:25
108:2	214:25	334:10	295:14	advised	111:8,11,14
115:12	215:14,20	accurate 22:7	313:20	151:12	126:3 127:2
145:11	217:10	201:13	319:21	Advisors	agreeing
149:19	230:23	252:17,19	342:4 344:5	67:8	110:21
167:17	238:17	347:14	added 291:8	advisory	agreement
173:17,25	239:1	accurately	291:11	35:14	34:14 36:23
198:24	accountant's	18:14,19	318:9	126:20,21	37:23 45:23
214:19	238:17	accuse 87:18	322:10	affirm 6:8	49:2 52:17
234:19	accountants	accused	adding	347:10	52:25 62:5
245:1	5:8	345:21	122:24	afford 140:18	69:12,16
271:11	accounted	acquire	148:2 179:3	140:22	82:3,4,11
327:5 330:4	235:2	54:23 57:6	addition	203:13	100:16
342:24	accounting	62:3 68:2	275:15	afloat 258:22	106:8 113:9
absent	132:14,15	acquired	311:21	afternoon	126:2,3,7
131:21	132:16	33:6,24	330:11	328:19	127:4 157:1
132:10	134:7,15	35:6,25	additional	334:15	157:3
160:16	135:23	36:3 51:23	97:21	agent 15:8,10	166:23
162:25	189:12	55:7,7	280:19	73:23 288:5	167:20
absolute	198:2	57:15 61:5	291:12	288:18	171:22
94:17	199:21	63:16 95:12	301:22	agents 90:1	172:1,4,15
absolutely	201:11	131:3	312:2	ago 28:22	173:5,7,8
82:12 132:3	211:20,24	150:18	address 8:1	46:20 49:11	220:25
215:4,7	212:5	178:5	64:12 79:2	57:4 62:17	242:19
234:3	217:12	285:12	272:12	64:23 67:4	244:5,6
278:13,17	232:8 234:1	acquiring	adjourn	67:25 81:18	245:15
279:8	235:1,3	68:1 285:4	343:19	91:25	288:6,13
289:10	249:5 266:1	acquisition	adjourning	101:24	289:3
312:4,19	338:10	147:18	343:22	126:24	296:25
328:24	accounts	239:6 286:7	admin	130:25	297:2,6
AC 231:25	26:9 90:13	298:15,20	138:11,19	144:4	325:13
access 206:16	150:8 151:6	Acquisitions	138:20	157:16,16	327:2
206:17	158:22	25:20 149:1	140:11	164:15	341:12,23
207:1,10,15	163:6,10,11	acronyms	142:22	166:12	342:18,25
207:18	200:9,12	329:3	143:11	207:13	343:16
208:8	206:4,6,11	act 288:4	145:1 146:4	214:21	agreements
accommod...	206:17,21	acting 113:17	administra...	215:14	69:9 106:9
19:1	206:23	actors 155:16	154:20	229:11	106:21
accomplish...	207:9,19,23	actresses	156:12	345:3	287:7,9
347:15	208:2,17	155:16	administra...	agree 34:24	323:4,4
accountant	209:6,6,11	actual 109:14	130:16,18	69:14	326:10

341:17	279:25	337:2	32:2 35:19	160:2	335:11,13
342:19	292:7	answer's	appointme...	198:25	342:11
ahead 17:15	294:22	28:11	212:2	270:19	343:7
24:6 44:24	297:18	answering	appraisal	architects	asking 16:14
119:2 138:8	304:5,6	20:7	220:21	34:20 35:13	16:17,19
141:2 286:4	309:14	answers 22:2	appraisals	36:14 224:8	18:22 20:13
312:17	312:10	22:6	47:15 52:2	224:9,10	20:16 21:9
AIA 178:8,11	313:8	anticipating	52:4 220:16	architectural	44:2 45:7
189:17,19	316:12	242:14	220:18	155:10	48:19 98:11
190:21	318:2	anybody	appraised	191:1	130:7 145:4
193:21	336:15,15	91:14 186:9	221:1,5,9	argued 71:25	161:13
200:4,25	337:18,23	225:21	236:13	armed 38:23	163:10
AIG 239:21	amounts	310:1	312:16	arrogant	174:9
239:24	233:10	332:20	appraiser	91:15,16	175:24
air 232:10,11	262:22	anymore	128:18	Art 219:25	198:15
308:15	308:23	23:2,22	appraisers	220:1 224:2	217:18
airplane 27:5	315:4	81:22 87:16	220:16	224:4	219:17
al 82:5	320:10,11	97:14,24	appreciate	articulated	226:23
Alan 39:9	anal 155:11	99:2 184:7	139:18	297:20	233:7
144:7	155:21	anyway	140:6	ashes 87:25	240:14
310:22,23	263:16	236:21	156:14	aside 203:10	260:13
310:24	anatomy	apart 47:23	346:16	259:23	279:24
311:8	192:4	77:6 140:23	appreciative	313:9 326:3	289:14
Alibi 25:6,6	and/or 20:14	342:21	281:9	asked 16:3	301:4,5
202:1	24:12 82:14	apartment	appropriate	21:2 22:4	310:15
align 195:13	138:10	144:22	130:12	34:3,5,6	337:13
alive 264:24	another's	146:16	approvals	38:14 43:10	asks 23:2,3
allow 19:7	8:24	apologize	59:3,10	48:15 56:3	261:18
allowed	answer 16:8	143:7	61:19	56:4 61:23	aspect 141:15
176:11	19:13,19	269:23	approved	71:13,14	ass 262:3
allowing	20:24 23:20	appear	96:25 155:9	98:13	asset 260:4
346:10	39:8,17,19	272:24	235:24	120:23	assets 259:6
altogether	61:2 66:18	297:19	approxima...	128:23	assigned 30:1
309:8	78:11,13	305:20	133:11	129:8,22	30:12
amendments	94:9,11,21	337:22	252:3	130:2	assignment
341:20	140:25	APPEARA...	300:19	131:16	91:4,6
342:20	142:11	2:1	338:13	147:14	assistant 5:9
American	146:25	appearing	344:12	164:21	130:16
27:19 28:3	152:24	11:3	approxima...	188:16	assisting
Amherst	161:1 164:7	appears	215:9	198:1,20	214:25
26:24	164:9	43:15	April 11:8	232:8	associated
amount 49:6	198:20	112:11	15:16,17	248:23	55:3 65:16
119:5	278:25	217:25	24:22 85:9	258:9	163:8
120:24	287:10	247:23	90:12 93:22	263:23	168:15
177:7 182:6	315:15	334:19	95:4,5,6	265:25	207:5,19,23
190:6 218:7	316:4	335:17	97:10	270:3,11	233:15
218:20	322:17	applications	105:10	272:10,12	242:14
233:15	325:20	271:25	159:20,22	301:11	Associates
247:6	336:19	appointed	159:23	334:17	158:5 220:8

247:25	168:14	274:23	150:13	basic 191:23	87:3,3
assume 9:2	attempt	299:7	187:3	basically	beds 96:4
15:5 20:25	80:16,19	Avenue 1:10	188:20	78:17 89:20	beg 83:13
35:18	attention	2:10 79:2	189:1,11,16	89:22	92:14
117:23	10:25 162:8	average	190:12	basis 219:14	beginning
123:18	246:10	47:17 52:7	194:11,11	255:11,11	63:2 83:23
145:24	attorney	128:18	194:14	Bates 107:10	88:16
173:1 185:5	38:10,18	129:9	196:11	169:22	141:11
209:6	39:12 40:14	award 87:2	197:3,3	171:9	158:11
assumed	41:5 157:7	aware 141:14	214:22	184:16	244:7
181:16	268:8	335:9	238:10	186:21	264:12,17
246:16	280:22		292:7 293:8	187:2	281:16
299:25	287:22	B	303:22	188:22,22	330:23
assuming	attorney/cli...	B 149:19	balances	190:2,19	333:7,13
182:15	39:14 216:9	221:2,4,9	215:6	194:25	341:18,21
asterisk	attorneys	baby 34:11	ball 34:21	196:12	begins 63:7
122:13,23	14:9 39:15	34:17 94:15	180:4	197:15	behalf 2:3,14
251:12	39:19,20,23	344:19	bank 56:15	218:15	17:10
Atlantic	157:11	babysitting	90:12 99:9	238:16,20	118:20
298:22	August 29:25	199:14	102:5	252:6 253:8	131:14
300:8 320:4	37:17 68:21	back-end	131:21	254:7 268:2	151:20
atrocious	76:19 95:1	110:11	132:8	280:4	170:25
341:7	95:2 150:19	111:14	136:14	289:24	233:11
Attache	183:18	112:17,23	150:7 151:5	336:4 339:2	287:23
223:2	257:19	126:5 127:9	151:6 152:9	340:20	323:6 324:9
attached 37:5	297:24,24	127:10,11	152:15,16	bathroom	belief 262:17
38:8 40:6	298:23	128:6	160:9 161:9	18:24	believed
45:2 69:10	299:8 300:4	backdated	161:16	145:11	244:16
77:20 78:25	300:10,12	161:23	200:6 206:4	154:12	260:17
79:21 101:8	300:17	169:19	206:6,17	bathrooms	belong
105:7	306:10	329:25	207:2,9,12	149:17	215:10
109:15,16	authority	backed	207:16,19	baton 155:23	belonged
111:22	132:4	272:24	207:23	bcc'ing	159:15
112:11	137:20	274:12,15	217:18	334:14	belongs
121:17	153:9	background	239:19	beach 2:19	306:14
126:1 140:1	authorizati...	3:13 21:15	272:10	8:6 68:10	Bendita
169:15	131:21	21:25 26:19	298:13	82:7 96:25	277:1 284:2
172:1,2,11	132:10	backup	based 13:11	105:24	benefit
178:12,14	163:18	268:16	17:25 39:18	157:7	236:20,21
189:22	164:10	335:7	39:22 74:16	166:15	265:12
258:10	authorized	backwards	97:8 132:4	216:5,7	268:3,5
288:7	132:1 206:5	307:8,9	146:2 149:6	235:23	306:15,15
298:13	206:20	340:22	213:12	236:19	318:21
334:14,17	authorizing	bad 221:10	215:9	332:22	339:23
347:11	258:10	Bag 65:18	218:20	341:13	benefits
attaches 81:3	auto 239:21	66:24	262:17	344:19	126:19
attachment	avail 251:11	bags 65:20	296:19	beat 148:4	Berger 39:9
38:7 68:23	available 7:8	balance 63:9	323:3 324:8	156:8	best 22:7
attachments	251:25	141:6	343:15	beautiful	48:20 72:21

126:15	42:17,18	201:17	232:18,21	183:15	124:9
236:17	43:3,6,10	202:1,1,13	232:25	184:22,23	180:19
289:23	43:15 44:6	202:15	233:6	202:7 223:4	250:1 256:7
342:9	44:8,14	203:20	234:24	241:19	333:25
better 20:5	45:2,13	204:5,12	borrow 72:6	242:18	briefly 18:21
85:13 198:3	88:3 110:20	208:5	91:10	251:22	bring 154:24
254:25	149:10	Bob 37:6	borrowed	341:22	bringing
beyond 200:8	170:25	38:18 40:3	49:2 83:25	344:10	50:14 69:25
Bianca 57:3	Black's 44:12	42:17 71:6	83:25	boxes 268:24	brochures
biancamatt...	Blackberry	71:20,22	164:13,18	boy 85:21	62:16 220:5
214:1	283:1	76:6 102:4	167:3 270:6	bragged	224:2
bid 176:14,16	blackmail	119:16	271:8	247:5	broke 88:3
176:18	69:23	126:8,9,15	274:20	branding	88:17 97:25
205:20	blah 151:24	149:8	301:13	220:2	283:1
bids 35:13	151:24	258:23	304:6,12	brasserie	broken
176:13	191:1,1	261:18	305:6,11	52:11	188:21
big 50:16	blahs 191:1	268:25	borrower	bravado	217:25
70:4 85:22	blank 26:7,16	269:17,22	161:15,20	302:25	broker 204:4
88:5 144:21	blew 48:11	270:12	161:21,22	Brazilian	220:11
195:18	85:24 90:20	280:6,25	bothered	25:3 185:1	310:19,23
222:7	91:12,19	320:1	90:14	337:25	323:3,7
266:25	92:9 167:4	334:16	Botticelli	340:3	324:10,14
312:10,14	241:1	Bob's 43:17	25:10 67:8	break 18:24	325:9
330:21	245:15	44:15 45:11	bottle 154:23	47:24 88:4	336:16
343:2 344:9	249:17	72:18,20	156:19	88:21 92:24	broker's
biggest 50:14	254:25	bombed	bottom 44:9	130:12	308:6
50:15 54:9	271:15	86:11	105:16,17	153:14	314:20
345:2	310:14	Bonaventure	105:18	216:15	336:25
bill 52:20,20	blind 265:7	9:18 24:11	115:24	break-in 98:4	brokerage
90:15	blow 203:22	25:7 48:7	122:7,12	breakdown	26:9 46:8
232:12	203:23	49:17,17	125:20	175:12	46:10,11
233:23	204:7	51:3,5,11	169:23	Breakers	140:17
268:17	287:12,13	56:5,6,15	219:11	222:17	228:23
billed 101:11	blown 33:25	74:25	240:5 251:2	223:13	248:25
139:7 177:2	blueprint	102:21	252:6 253:2	breath 85:17	308:9
bills 36:17	237:18	133:16	253:7,13	Breeze	309:17
51:15 178:6	263:17	137:6 150:6	254:7	240:25	312:22
bing 225:24	blueprints	150:6 202:3	269:16	Brickell 1:10	brokered
biographies	226:10	242:7	290:8	2:10	220:12
129:15	343:14,14	Bonaventu...	bought 46:19	bridge	brother
bios 126:2	BMW 144:23	51:8	49:10 55:21	107:17,20	31:24 34:4
128:13	board 27:19	bonus 86:18	84:4 133:24	107:23	35:2 46:14
birthday	28:4 35:14	126:19	133:25	108:4,5,7,8	46:22 85:9
83:22	126:20,21	bookkeeper	167:1,7	108:9 252:1	85:10,16
bit 5:8 15:5	boat 60:3,4,5	165:25	170:5	303:14	86:7 87:7
319:7	60:6,7	341:5	179:21	brief 5:16	87:21 88:1
Black 30:20	137:8,8,8,9	bookkeeping	181:17	10:8 40:21	89:14,24
31:11 37:6	152:20,21	278:3 340:5	182:5,13,14	93:4 97:11	91:20 92:6
38:22 40:12	152:22	books 232:16	182:15	113:23	94:14

287:11	66:24	179:22	46:14 47:13	235:3	289:16
brother's	bunch 237:8	220:12	57:21 58:11	carpet	291:12
31:6 46:8	271:15	226:16	59:1 63:7	237:17	295:10
brother-in-...	284:24	239:15	81:19 89:13	cars 84:20	329:22
102:24,25	bunches	244:19,21	133:18,19	266:4	certainly
brothers 86:5	145:8	244:24	133:21	Casa 277:1	38:25
177:1,4	business	245:1	143:19	case 21:8	certificate
brought	27:17 46:17	250:19	152:6	30:22 71:24	191:2 329:7
323:22	47:21 48:2	299:14	156:18,20	284:2	347:1
Bruce 2:15	64:15 65:19	312:8	164:21	300:19	certify 347:9
8:3 22:4	66:5 100:6	313:13	219:13	301:6 304:4	CFO 83:16
46:3 281:21	100:9	331:4	224:16	cash 221:8	86:19 92:12
281:21	102:23	buyer 290:15	310:19	316:8,11,13	chain 43:15
bucks 132:20	103:18	291:24	326:24	318:22	116:16
167:2	105:8	294:22	camera 84:4	322:22	125:14
176:21	131:13	309:1	84:8,9,12	344:11	chains
201:19	132:8	buying 61:14	84:13	catch 99:12	125:24
329:23	138:17	84:20	cancel 306:17	180:5	chair 237:17
budget	139:16,23	266:20,23	cancer 27:19	categories	chance
115:15	140:1,9	267:8	28:3 53:5	202:18,19	176:17
197:1	147:5	286:13	53:25	cause 18:18	195:6
build 176:12	159:10	311:1	cap 221:10	93:18	272:15
191:18	225:13		capable	cc'ed 181:6	change 19:19
235:24	260:2,20,21	C	297:5	cc'ing 298:12	110:3 191:9
builders	260:25	C 3:1 4:1 5:1	capacity	center 254:8	191:10,13
177:2	261:5,9	cabs 170:10	16:12,14,19	298:22	191:15
building	297:2 328:9	Cabtree	16:22 17:9	300:9 320:4	192:6,17
46:19 93:19	333:21	222:5	Cape 26:23	cents 200:3	194:12,19
96:1 104:18	businesses	calculation	Capital 64:19	291:16	195:25
162:16	159:2	274:16	65:10	295:24	275:24
170:20	Busto 2:5 5:9	calculations	107:22	297:15	316:20
303:8 305:7	5:13 59:24	59:6,7	302:2,6	301:18	changed
305:11	60:11,18	115:8	car 87:11	303:24	109:1,5,10
307:18	61:9,13	124:15	146:16	304:24	110:3,6,14
311:2	73:2,4	125:1 274:1	239:23	306:3 311:3	110:16
313:14,18	153:18	call 73:3 87:9	240:11,12	311:3 320:9	111:4,17
332:11	271:17	87:10 143:2	240:16,16	321:2,11,16	112:24
343:10	butts 202:15	143:2	card 207:4,22	CEO 264:4	170:14,14
buildings	buy 34:15	146:10,11	208:6 266:2	certain 7:1	173:13
91:3 99:7	54:7 55:14	146:22	cards 208:9	11:16 13:10	changes
266:24	57:22 61:9	152:4 197:9	care 14:16	20:16,20,21	126:11
built 90:19	61:11,14	204:13	15:17 90:9	21:6 35:8	character
95:24,25	62:8,22	290:18	328:13,17	59:8 74:20	246:8
98:21	64:14 65:2	321:13	333:9	134:15	charge 35:5
140:17,20	65:9 67:12	called 6:13	career 85:22	136:13	35:17 84:15
154:22	84:5 104:1	11:16,19	careful 39:13	138:1	256:22
223:17	108:2	13:10,20,23	134:22	233:15	278:22
345:9	149:19	16:6 17:18	135:2 174:9	258:8 288:8	341:25
Bull 65:18	168:1,2	18:3 28:23	234:5,6	288:8	charged

137:2,3	chronologi...	277:2	clematis	297:11	column 136:2
272:3	31:14 37:4	282:17	104:2 239:3	298:24	200:6
charities	106:7 112:3	316:18	239:7,17	299:4,5,7	213:13,14
28:10	121:14	337:12	Clerk 306:19	299:15,17	214:14
charity 28:21	339:1	340:16	client 293:4	299:19,20	219:18
CHARLES	chunk 50:16	344:1	client's 8:23	300:9,23	coma 229:11
2:4	cigar 84:18	346:11,13	326:25	301:1,2,9	345:2
chart 122:12	circled 214:3	clarifying	clients 9:15	302:24	come 5:20
208:17	214:4	137:16	Cliff 284:3	303:16	12:1 36:8
209:5,6,10	228:21	classified	close 156:25	307:22,24	53:17 56:20
209:14	Circuit	212:24	185:16	308:2,6,13	56:21 63:20
272:20	306:19	277:24	240:25	312:18,24	75:23 88:1
273:22	Cirque 52:10	classify 151:2	253:24	314:13,14	90:18 97:20
274:24	52:11	213:1	257:18	318:24	108:23
charts 268:24	City 54:11,11	claustroph...	260:4	322:9,10	115:12
chase 91:1	220:3 223:6	87:20,22	293:14,17	327:18	135:8 137:9
102:5	327:5	clean 171:12	299:22	331:8	146:21
165:22	329:12	203:5	303:1	closings	150:7
172:8	331:22,24	230:18	329:15	157:23	155:17,17
283:25	332:1 333:6	235:9	closed 183:18	clothing	155:20
cheaper	342:8,10	clear 9:11	203:16	132:22	156:22
71:11 79:13	civil 7:4	17:8 19:9	247:17	cloudy 20:14	186:9 257:5
check 52:16	169:16	20:11,20,21	257:18,19	club 27:17	257:8,11
63:21,23	172:3	21:3,10	258:4 259:3	28:14,19	262:10,12
75:15 167:2	286:20	25:13 26:21	275:19,20	126:15,19	272:11
202:25	claim 13:11	40:10 58:20	closer 195:17	223:4,9,25	304:25
218:7	18:1 310:2	61:7 64:2	closing 30:6,9	224:1	306:7
222:15	310:13	67:22 94:5	30:10 49:2	235:16,17	308:10
238:2 267:3	claimed	117:20	91:9 123:14	236:15	314:17,18
267:4	88:23	118:5 144:3	140:17	237:21,22	318:3
325:19	claims 88:24	154:5 176:9	141:4	clubs 28:10	320:16
checkbook	clarified	178:9 196:3	179:23	29:1	327:9
211:10	137:13	218:3	180:3	CO'ed 329:2	comes 156:1
checking	256:21	231:13	183:17	co-mingled	201:5
56:21,23	clarify 16:8,8	234:15,16	185:4	326:7	306:16
211:13	16:24 19:12	240:9	203:10,14	Cod 26:23	307:3
217:2	22:5 32:24	262:21	250:23,24	codifying	coming 73:7
checks 56:11	35:17,21	269:24	251:5,9,11	343:1	78:16 98:23
56:12 217:6	61:1 62:21	277:3,17	251:25	coffee 328:18	159:24
217:11,14	123:17	278:7,12	253:19,21	collateral	199:5,15
Chicago	135:16	282:8 287:8	253:22	91:3 303:9	203:25
271:15	144:5 154:2	315:2 325:8	255:3	collect 328:10	204:1 241:9
chief 154:23	154:4 164:6	332:6	286:22	collected	243:1
156:19	164:8	clearing	287:22	311:15	262:16
China 88:8	174:25	325:3	288:5,11	325:25	309:12
chocked	210:6	clearly	289:18	326:1	comments
91:14	231:14	266:19	290:4,23	College 26:23	147:9
choice 9:5,6	258:15	293:17	292:6,16,17	Colony 64:8	255:15
chosen 213:1	266:9,21	309:12	292:18,23	color 155:12	commercial

221:4	227:16,23	29:5 42:15	conduct	construction	41:11
262:24	229:18,22	70:11,12	14:10	92:15	168:14,23
269:5	230:15	76:18 79:20	conducted	115:14	168:23,25
283:13,25	231:24	114:7 122:5	11:23,24	128:11	169:2,15,20
commission	232:4 239:5	168:12	17:21,22	129:8,14	170:3,13
1:1,9 2:3,8	239:6	180:7	131:13	147:17	171:14,17
5:12 6:4,4	259:20	247:23	132:7	155:1 160:6	176:5,10,10
6:24 9:2,13	267:1,2,4,6	276:24	confidential	161:5 166:5	192:10,16
69:12 308:7	271:22	279:12	343:21	166:6	195:22,23
309:5,17	company's	282:13	configured	168:15	220:10,12
310:18	231:22	338:23	58:22	174:1,17	292:4,8
311:1,2,21	compare	computer	confirm 15:8	175:19	295:6
314:20	187:9	11:25 12:2	26:7 300:11	178:2	327:17
316:21	199:20	12:9,19	312:21	182:10	331:1,2,3,4
347:12	compared	14:8 17:23	316:12	183:1 184:7	331:9,11,15
Commissio...	347:14	36:15 88:12	conflict 8:22	184:12	331:16
7:12 8:20	compensated	217:9	9:14	205:3	333:18
committees	52:14 54:17	263:25	conflicts 9:4	226:19	contracting
28:5,5	237:24	computers	confuse	305:22	166:2 168:6
common	compensati...	13:4,5	141:1	332:12	173:16
264:6	54:19	35:13 88:6	confused	334:11	174:16,17
310:25	compile	88:11,15	15:5 23:13	342:14,22	175:9
311:4	186:14	concept 97:4	95:22 233:9	343:12	contractor
communic...	compiled	235:16	confusing	consult	27:10 168:7
39:14	188:7	237:21,22	181:23	163:23	188:9
Community	complaining	concerning	193:15	249:22	195:18
26:23	249:12	9:4 101:14	confusion	consultant	196:14,16
commuters	complete	154:2	172:24	47:16,19	contractor's
88:14	19:7 20:6	concierge	258:15	219:13	178:1
companies	22:7 83:10	223:5,6	conjunction	consultants	contracts
22:23 70:17	104:9	concluded	68:1 101:7	219:15	292:12
159:4	137:19	346:20	288:5	Consulting	293:9 330:2
162:11	248:25	concrete	connected	220:14	330:3
201:14	332:3	179:3	134:5	CONT 4:1	contrast
207:20	334:11	342:14	224:13	contact 97:20	189:2
264:3	347:13	concurrently	Connecticut	contained	contributed
company	completed	54:4,4,5,20	46:9 64:7,9	22:2,6	135:10
14:17 47:13	21:14 179:6	conditioning	65:13 66:23	contempor...	control 32:9
52:5 60:13	190:10,11	232:10,11	67:3 166:19	249:6	32:25 33:5
60:19 63:7	191:2	308:15	166:21	253:17	33:15,17
65:13 66:8	192:19,23	condo 96:6	205:6	context 184:9	41:21 57:8
77:19 166:5	completely	96:19,23,24	233:20	contiguous	57:12 65:25
166:6	77:5 96:2	96:25 97:2	296:21	58:9,25	66:7 83:10
174:17	234:13	97:4 221:2	Conrad 54:8	224:17	92:18
178:2 201:3	322:24,24	221:2,3,4,5	considered	continue	258:20
205:3,14,15	344:5 345:3	221:7,9	107:20,23	99:25 301:5	controlled
213:15	completion	236:2,5	constitute 7:3	continued	33:14 46:22
220:6	331:23	condos 89:1	construct	97:10	49:20,25
224:22	composite	221:8	274:11	contract	66:5,9

151:22	41:14	317:17	174:3,5	15:15 19:2	create 19:3
206:10	corporation	318:4,5,7	183:25	19:14 21:14	170:18
258:16	14:17 64:20	318:17,18	184:3	29:5 42:14	created 93:21
controller	65:11	319:3 323:5	197:10	54:13 58:19	170:19
264:4	correct 9:8	324:10	207:6,7	68:21 73:17	195:13,20
conversation	13:12 18:1	325:17	208:6	74:1 76:18	290:22
148:22	18:2 22:12	336:5	210:18	79:18	creating
305:3 310:9	23:24 29:23	correspond...	227:24	125:12	45:15
conversatio...	30:2,14,18	62:14	229:24	180:7	credit 91:12
19:21	31:13,21,22	corresponds	238:13	197:14	207:4,22
convertible	31:25 35:20	284:8	239:22	247:22	255:22
86:16	35:20 37:23	COs 329:15	242:6,7,8	276:23	292:7 293:2
cook 156:19	40:4 41:12	cost 147:17	249:11,11	279:12	293:8
229:25	56:16 59:20	175:25	249:12	282:13	294:14
230:8	60:18 69:19	182:3,4,7	284:3	285:1	316:12
231:10	71:2 72:11	182:10,17	301:10	293:12	319:10
cooperate	72:14 77:3	183:1,4,10	309:13	306:19	criminal 7:4
345:8	77:3 78:23	186:22	311:17	328:21	Cross 65:14
coordinates	80:22 97:9	187:8	council	courtesy	cruncher
102:5	105:9,13	189:13	332:19,20	346:16	222:18,25
copious 83:8	106:9,13	196:22	counsel 7:22	covered	crying 85:15
copy 7:6,11	114:10	223:7	7:24 8:9,19	333:17	85:18
10:16,23	129:17	295:11	8:25 9:3,5	covering	crystal 2:7
11:2 12:12	131:10	313:18	count 27:6	323:15	5:7,10 6:1
14:15 15:15	132:4	323:16	236:13	covers 237:9	21:3 97:8
21:14 29:5	133:16	344:14	counted	CPA 27:9	current 40:11
42:15 68:21	138:23	costs 175:25	317:11	Craig 63:6	currently
74:1,8	139:2	185:4 291:8	322:1	67:10	231:18
76:18 79:18	140:24	could've 27:2	counting	159:20,24	custom
81:4 105:4	142:19	46:19 49:12	170:4 176:5	242:12,13	237:18
125:12	171:3 172:5	49:12,13	182:7	242:24	cutters 88:3
180:7	213:2,3	50:25,25	country	244:11,19	
197:14	214:14	51:4 53:19	89:15	244:21,22	D
198:2,6	215:4,4,6	53:20 55:12	County 216:7	245:17,21	D 5:1 81:2
217:5	225:14	56:11 60:15	couple 9:12	245:23	daily 47:17
247:22	231:15,16	63:21,22	49:11 84:23	246:10,19	52:7 128:19
276:23	245:2 246:1	94:1,4	213:17	252:15,16	129:9
279:12	246:2,6	102:19	279:5	257:5	damn 144:11
282:13	261:1	103:20,21	301:20,22	286:16	Dan 69:15
331:10	270:17	122:1 130:3	303:16	290:6 293:3	75:6,16,19
334:13	280:25	131:23	course 7:9	293:4	76:5,20
copying	282:9 286:5	133:20,23	9:7 20:1	296:15	77:9 80:7
265:7	290:13	141:11	53:11	297:23,24	81:11,12,17
Cornwell	291:5,9,16	143:18	139:11	298:9,11	83:5
268:9	291:19	148:13,14	142:2 295:7	299:10	Daniel 68:11
Corp 43:19	296:10	148:14,18	courses 26:18	303:25	68:12 74:2
44:17	297:15,16	156:18,19	27:2	326:24	74:12 82:3
corporate	299:8 302:7	163:2,20	court 10:16	crazy 84:22	Danny 78:18
9:15 16:23	306:13	164:21	11:6 14:15	90:8	78:19 79:9

date 1:12	213:24	144:6	324:16	319:20	133:11,19
30:3,9,10	daughters	dealings	deducted	Derrico	138:10,18
97:17 98:12	93:13,14	46:16,17	116:23	125:22,25	138:25
119:15	134:20	47:21 100:7	123:4,9,12	147:5	139:1,4
150:20,22	208:8	100:9	123:13	describe	140:5,11,13
171:19	David 85:11	102:23	315:13	11:22 17:20	142:24
172:10,23	85:18,18	deals 47:7	deducting	134:10	143:9,14,15
179:6 180:9	86:1,19	48:20 51:20	116:25	describing	143:19
181:21	87:6,12	54:2,7,15	120:17	146:5	145:21,24
183:13	89:2 94:14	54:20,22	127:6	description	145:24
184:22	97:17	55:17,20	deduction	3:6 4:3	146:2,24
186:22	125:22,22	100:12,19	294:8 319:8	195:13,20	147:25
187:8	125:25	100:23,25	deductions	descriptions	148:13
192:11,12	126:10	103:21	294:4,16,17	196:1	149:6,13,23
192:20,23	128:10,12	142:6	294:20	deserved	150:21,24
195:3	128:22	154:19	317:22,23	339:25	150:25
243:16	129:11,13	263:9	322:7	design 47:19	154:20,23
251:12	130:1,3,3,6	Dean 34:12	deed 64:23	50:12,21	156:10
259:10	140:2 147:4	Dear 43:7	97:3	86:25 87:3	187:19,23
295:10	147:11	130:6	deep 145:10	191:23,25	202:4 234:9
299:11,11	David's	151:11	154:11	237:9	240:10
299:12,15	130:7	258:14	defer 36:8	designed	341:24
299:16,18	day 35:9,10	Dearest	definition	237:18	developer's
301:5	49:3 90:3	341:23	328:14	designer	142:10
343:24	141:11	debit 207:4	definitions	134:2,3	developers
347:6,18	155:5,6	207:22	24:23	155:2,3	139:6,7,8
dated 10:17	159:21	208:6,8	Delaware	226:13,13	development
10:24 11:7	222:16	debt 60:4,5	43:19 44:17	designers	145:7 160:6
15:16 37:5	280:18	60:12 90:23	57:5 66:23	237:13	186:22
38:1 40:2	286:8	90:25	Delray 68:4,9	desks 227:10	187:7,13
74:1 79:22	308:16	333:10	105:24	destroyed	204:13,23
81:2 109:21	330:17,19	344:15	density 59:8	14:5 18:10	205:15
112:4	day-to-day	December	Department	detail 155:11	303:13
125:12	35:5 155:24	270:19	343:11	285:2	312:6
169:17	211:23	331:25	depending	detailed	diary 233:13
171:21	219:5	332:1	70:6	216:22	Dichi 63:8
173:5	263:18	decided 70:8	deposit	details 64:1	died 53:6
250:13	days 49:3	decision	105:23	126:14	85:9,13
255:5	109:20	216:13	106:1,3,13	263:16	86:5,14
261:16	236:3	decisions	121:7	determine	229:12
273:17,20	261:17	36:9,12	246:11	6:25 201:12	difference
273:21,21	301:20,22	237:14	297:20,25	Deutsche	156:7 278:5
dates 184:13	303:7	Declaration	300:14	272:10	304:6,9
249:10	326:11,20	341:12,16	308:1	develop	different
257:14	326:22	342:1,10,25	336:12	61:17	52:13 54:10
daughter	dead 156:8	343:15	depositions	developed	54:15 55:19
84:4,6,7	deadline	decrease	286:19	7:2	58:10,21
135:7 214:3	332:2	274:16	deposits	developer	114:16
daughter's	dealing 82:21	deduct	274:25	56:9,13,19	115:19

117:6	161:3,20	139:17,20	216:21	248:4,10	142:23
122:19	320:19,24	140:12	217:20	249:7,14,15	145:1
132:24	321:3	141:7	218:4,16	273:9	147:25
135:20	director 5:9	180:24	268:23	279:15,24	148:25
145:21,23	154:3	257:10	273:4,7	282:14	150:1
146:8 173:4	Directors	discussions	291:18,20	285:20	156:18
187:11	25:17	5:22 10:11	298:25	287:22	185:22
188:21	disbursed	41:1 93:9	309:9	289:18	189:7
216:24	119:12	114:3	341:14,15	309:7 324:8	214:22
246:21	120:9	124:14	documenta...	doing 52:14	236:25
260:14	303:25	153:23	62:11,13	52:22 53:13	237:2 262:2
268:24	326:5	218:21	263:6 280:1	61:5 70:25	263:8 264:9
285:3	disburseme...	250:5	documented	75:9 81:23	272:25
335:19	290:22	256:12	126:6	84:21 107:5	302:5
338:18	disclaimer	267:17,18	documents	108:22,24	308:16
343:6,9	8:18	334:5	3:14 11:17	115:8 117:9	309:17
differently	discount	disposed 14:5	11:19,23	124:15	311:2
118:5	114:16	18:10	12:5,17	125:3	312:22
difficult	117:19	distinction	13:10,20,23	128:24	330:17
246:8	discovery	54:18 67:18	14:2,6,11	129:3,23	don 330:4
diligence	208:24	distinctly	16:6 17:18	142:10	Donald 28:13
267:21	discuss 29:19	145:23	17:21,25	149:20	Donna 347:9
direct 36:18	39:11,13	Diversified	18:3,7 21:7	154:15	door 151:25
42:2 77:15	71:23 83:2	1:24	29:6,11,20	155:18	239:16
86:10	141:19	diving 27:12	31:13 40:6	178:1,5	double 322:1
160:24	148:16	division 2:9	41:15 45:23	182:8 186:8	doubt 331:11
directed	discussed 9:3	5:11 6:3	50:9 76:19	215:13	331:14
10:25 15:7	9:14 38:6	87:13	79:20,22	220:4,4	downstairs
15:25 16:2	39:18,21,23	doc 291:11	104:25	224:5	170:12
16:4 17:3	107:1	295:17	105:7	234:12	192:2
24:22 57:22	114:13	docs 96:19	108:19	235:17,19	dozens 23:1
132:9 152:7	126:18	97:5 126:15	109:14,15	237:24	DP 185:10
212:25	134:11	document	111:22	247:7	draft 37:13
directing	141:20,22	21:22 37:3	112:2 128:7	248:20	169:9,11,12
62:11 258:7	141:24	38:4,8,12	128:22	264:19	173:12
258:11	142:1,17	53:22 77:20	129:17	272:9 274:1	drafted 290:4
direction	165:16	80:13 81:1	134:15	277:7	drafting
131:15,17	196:15	107:7,13	139:25	284:21	100:16
152:10	333:20	109:5,11,19	141:14,15	287:11	dramatically
153:7	discussing	111:21	142:7 146:1	312:5,7	173:13
160:16	114:24	112:9,10,12	146:3	313:11	draw 215:3
162:25	186:4	122:9	148:24	328:17	228:22
directly 24:9	264:10	134:10,10	149:7,22	344:25	drew 61:20
51:2 61:15	discussion	140:3,6,7	159:19	dollar 48:23	drink 18:24
73:22 76:11	29:10 42:15	147:24	162:9	56:19 86:18	Drive 2:17
104:4 121:1	78:6 106:22	161:23	168:13	105:23,25	8:5
133:14	118:1	171:7	169:9 181:2	106:3,13	dropped
149:1 158:9	121:10,18	190:17,25	208:12	117:8 123:6	170:21
160:12	138:7,8	208:16	247:23	124:24	drugs 18:17

due 123:23	88:13	225:2,7	49:11 50:23	90:15	303:21
132:17	128:17	230:1,13	99:6 202:8	electrician	empty 266:23
133:10	164:6,9	educated	229:11	230:12	encompass
135:4,14,15	170:7	175:23	241:12	235:10	29:8 156:11
135:17,17	221:16	educational	247:9	elevator	endeared
136:22,22	245:15	26:17	342:16	145:15	84:3
139:13	310:9	effect 33:18	345:2	170:8,10	ended 49:3
150:11,11	early 95:17	323:9	eighty 236:23	176:12	57:5 84:8
199:24,24	145:9	effective	236:25	191:18,19	110:14
200:3 203:4	154:10	32:24	320:6 321:7	elevators	140:21
203:4	242:10	effectively	eighty-five	145:16	144:20
214:14,14	ease 335:20	313:2	179:19	156:4,5	280:14
215:5,11	easier 36:3	eight 26:14	186:23	170:9	288:13
219:1,1	47:25	81:18 90:14	197:4	eleven 48:19	Enforcement
227:25,25	EB-5 58:5	107:3	304:24	51:13	2:9 5:11 6:2
228:9,9,12	59:19 60:24	110:16	eighty-four	116:25	engage
228:12,17	61:5 62:3	123:19,20	177:23	Elm 91:1	342:22
228:17	63:4 73:11	124:1,24	eighty-nine	emailed	engaged
230:16,16	82:8 99:9	125:1 127:6	200:2	151:9 152:5	148:24
230:19,19	101:15	164:15,15	eighty-one	emailing	engineer
232:3,3	159:2	185:4	182:7	264:19	173:21
234:7,21,22	221:20,23	203:11	221:12	emails 3:22	enter 167:15
267:21	236:17,18	253:8 267:9	eighty-six	3:23 4:4,5	209:21
272:23	239:10,12	292:1	297:15	12:21 52:21	entered 36:4
274:10,18	239:13	301:15,18	326:25	59:21 62:10	41:11
291:11,23	244:10	303:23	327:8	62:13 69:7	209:24
294:21	246:15	306:2 308:7	eighty-two	70:12 72:8	210:3
297:11	247:17	309:17	221:12	78:5 79:21	341:12
300:25	259:5,21	310:5,8,11	236:13	80:5 98:11	entering
308:4,5,5,7	260:3 261:7	310:11,12	either 24:9	100:15	166:22,23
308:8,10,11	262:15,19	312:14,22	33:22 47:22	105:7 106:6	255:16
308:11,11	262:20	312:23	56:20 59:18	108:17	333:21
308:18,18	265:21	313:3	60:24 62:2	109:17	enters 5:13
308:22	271:2,6,9	314:19	62:24 64:22	114:9,14	entities 8:15
309:11	271:24	315:2	82:13	125:15	8:20 9:1,7,8
312:3 315:1	272:15	316:19,21	149:18	147:4,12,14	9:12,17,21
323:23,23	274:9 275:8	316:23	151:5	158:8,19	16:11,15,17
duly 6:14	278:10	317:24	152:10	160:17	24:20,24
dumb 262:6	279:7	320:9 321:1	157:25	168:13	29:10,19
dumpsters	302:16	321:10,15	160:20	169:14	36:2 47:22
65:20	305:13	323:2,7,11	162:4,6	172:8	63:16 64:6
DW 68:24	economic	323:17	175:9	179:16,17	65:15
	35:1 236:20	324:7 325:9	207:15	180:8 181:3	130:11
E	Ed 181:13	325:19	212:25	181:7 188:3	151:21
E 2:15 3:1	186:13,16	336:21	255:11	258:7	162:6
4:1 5:1,1	188:4 195:1	337:7,14	290:6	264:10	174:22
153:17,17	195:11,20	338:13,14	307:12	276:24	175:2,10
earlier 16:1	222:10,12	339:10,23	337:8	279:21	242:11
34:6 77:6	224:25	eighteen 49:5	electric 51:16	282:14,24	entities'

16:20	314:22	160:3	exactly 74:17	execute 69:9	expertise
entitled 1:14	equaled	162:23	89:20 122:8	80:13	34:19 61:19
138:10,22	133:22	164:9	139:12	executed	experts 36:15
140:13,13	equals	170:24	175:5	37:23 40:7	explain 18:21
144:25	123:23	206:15	190:15	40:7 112:12	58:13 79:5
146:1,14	275:2	247:24	194:22	152:7,19	79:5 127:5
147:24	294:10	256:19	204:19	162:9	173:23
149:11,25	equipment	274:25	214:9 275:3	169:12	174:12
218:17	226:18	287:21	308:17,24	171:25	200:21
316:22,23	equity 111:15	290:6	309:2,3,3	206:22	256:18
entity 9:23	112:17,23	296:18	323:21	324:9	323:23
14:25 15:8	127:17,18	307:4	331:7 332:6	execution	explanation
17:10 26:1	128:6	315:20	examination	152:8	334:18
29:22 31:15	Eric 2:5 5:8	326:2	3:3 7:9	executive	explored
32:9,16,21	5:10 6:1	336:17	10:21	146:18	214:8
33:5 41:10	error 290:17	Evans's	346:20	exhibits 3:6	extended
41:18,21	290:18	56:22 151:7	examined	4:3 11:9,15	331:23
42:2 43:7,9	escrow 72:21	153:2 158:1	6:14	13:24 15:18	extension
43:11,12,17	73:23 288:4	159:21	example 27:8	15:24 16:6	332:13,14
43:17,21	288:6,17,20	160:21	34:14 72:9	17:18 114:9	332:18,21
44:1,3,13	289:11	245:24	133:25	exist 23:2,22	332:23
44:15,15	300:2	265:9,11	134:20	exit 235:22	extort 81:21
45:7,8,10	307:22,23	268:4 269:4	170:21	236:1	extortion
45:11,15,16	308:2,14,15	269:19	176:25	exits 73:4	81:12
46:13,14,17	313:8 315:1	296:19	179:2	expect	extra 55:18
46:17,18,20	315:12,14	300:5	187:12	213:19	319:15
46:23 47:6	315:17	301:16	188:9 192:2	expense	326:22
47:8 49:16	318:13	304:3,16	196:7	218:23	eyes 72:1
49:21,22,25	324:23,23	305:1	213:16,21	expenses	eyesight
50:6,10	326:3,17	319:24	213:22	136:13	219:21
56:7 64:21	327:10	320:10	226:8	137:1,6	
65:1,4,8,12	ESQ 2:4,5,15	335:16	231:25	146:17	F
65:19 66:20	essence	evening	308:8,14	187:6 189:3	F 153:17
67:1,10	323:15	328:20	309:10	189:5 215:1	fabulous
146:1	established	event 99:16	314:15	215:10	220:6
161:16,18	121:11	events 20:4,6	342:12	218:17,20	facetious
166:4	206:9	20:8 21:8	examples	268:12	262:1
168:10	estate 46:11	28:6	134:17	269:18	facilitate
205:1,4	162:17	eventually	excellent	270:17	257:10
297:7 303:9	309:5 310:5	71:21	334:16	282:3 316:9	fact 51:10
303:10,12	310:17,25	everybody	Exchange 1:1	323:16	69:22 72:2
entries	311:21	85:15	1:9 2:3,8	340:2	83:18 157:1
199:18	et 82:5	234:15	5:12 6:3,24	experience	163:21
210:23	Evans 32:2	236:8	347:12	34:23	165:21
231:22	38:25 41:17	evidence	exchanged	155:18,20	186:17
284:8	132:9 151:9	242:9 264:9	299:8,12	310:4	210:9,12
338:24	151:11	ex-FBI 90:1	excited	345:22	214:10
equal 116:3	157:5 158:5	exact 184:13	261:21	expert 12:1	233:16
148:8	159:9,16	215:15	344:25	14:8 17:23	240:18

241:18	133:20	133:21	fifties 263:13	37:12,15	52:8 68:2
269:24	138:11,18	135:11	fifty 70:18	71:12 90:16	70:1 79:4,8
272:10	138:20	136:19	72:5 73:6	149:15	313:21
276:17	139:1,5,9	137:9	73:20 74:18	figure 48:21	317:18
facts 7:2	139:12	138:23	75:11,15	67:11,11	330:3
failure	140:5,11,12	146:15	76:10,12	114:15	find 12:17
334:10	140:14,16	148:5	86:17	115:10,15	47:19 83:15
fair 214:24	140:17,20	150:24,25	132:20	145:13	86:13 92:12
215:8	141:3,16	188:9,15	133:3	250:23	100:11
303:10	142:8,10,19	196:14	164:16,17	251:4	198:16,18
faith 244:23	142:22,24	202:20	165:23	253:23	213:10
fake 266:24	143:1,9,11	219:12	177:3,3,5	255:3,19	214:8 268:6
302:12	143:13,18	272:22	179:8	274:10	273:12
329:24	143:19	280:14	185:21	305:14	281:19,20
fall 16:18	145:1,7,24	291:12,13	192:9,16	figured 94:9	281:25
familiar	146:2,4,10	295:15,16	213:23	148:2	331:5
290:3	146:20,21	295:20,21	228:20	261:24	338:21
family 28:23	147:25	311:22	235:18	321:22,23	345:6
84:3 134:1	148:10,11	317:25	238:3	322:2	finder's 70:8
264:20	148:13,19	337:22,23	255:21	figures	finds 334:16
278:15	150:1,21	337:24	260:9,10	277:21	fine 84:12
344:18	154:7	338:7	263:1,10,12	figuring	85:8 134:11
far 87:17	156:18	feet 48:13	264:22	272:20	165:19,20
174:2	176:23	91:2 221:7	268:9	file 1:4 30:6	261:13
201:13	187:13,19	222:21	301:17	135:4	281:12
309:18	187:23	224:12	311:14	228:17	288:11,12
315:17	196:16	258:22	320:8 321:9	284:25	288:14
fashion 50:12	202:4	263:3,15	321:12	347:5	326:11,11
237:10	203:10,18	278:14	325:2	filed 81:3,12	326:17
favor 287:11	204:4,13	344:17	336:22	310:1,6	327:15,18
293:4 295:7	228:23	felt 84:15	337:8,15	333:6	327:24
FBI 81:21	234:9,12	211:2	339:11	files 12:19,23	328:23
February	240:10	FF 226:17	340:11,14	12:24 13:3	329:16
11:7 14:15	252:16	FF&E	340:15	17:24	330:12,17
246:20,20	271:19	195:19	342:2	179:16	331:6 333:8
332:2	308:9 312:6	196:8,10	fifty-eight	filled 22:1	finer 113:14
334:11	312:23	197:1	197:5 214:4	final 170:9	fines 330:13
343:24	328:7	fifteen 67:4	303:23	173:10	334:9
federal 7:1,4	336:16,25	101:20	306:2	329:9 330:9	finish 66:17
277:8 345:7	feel 18:25	102:15,19	fifty-one	330:10	90:17
345:12	317:11	103:21	321:8	finally 81:23	112:19
fee 48:23,25	fees 53:1	106:3,12,16	fifty-three	81:25	115:14
56:9,14,19	54:24 55:10	106:18	123:22	financed	119:20
70:8 116:18	116:23	107:14	192:25	101:3	120:10
116:19	118:15	121:4	fifty-two	financial	155:11
117:8 118:9	119:18	175:16	321:13	186:14	190:12
123:21,25	120:17	177:6 195:2	fight 90:10	financials	194:16,17
124:25	124:24	196:19	345:24	258:17	201:11
133:13,17	133:11,19	267:12	fighting	financing	214:23

274:5 275:5	247:13	Focus 12:15	forty 57:25	284:25	frame 35:17
328:5	248:1	focused	75:8 89:13	Foundation	94:23,24
329:15	249:21	253:19	120:5	28:23	130:22
341:24	250:12	folks 230:15	188:10,12	Fountainbl...	210:6
345:6 346:2	255:18	follow 18:22	188:14,15	100:21	frames 94:2
finished	268:25	31:14	223:7 228:8	four 15:4	France 22:18
71:15 96:1	280:11,12	272:17	233:22	22:22 49:7	Frank 25:22
96:2,4	285:19	278:19,20	235:23	92:13	25:23 38:3
194:8	286:6 290:4	283:9,24	272:3	110:12,12	47:6,7,12
199:22,24	305:12	316:14	forty-five	111:15,15	47:13,22
221:12,12	314:19	319:17	236:3	112:22,22	48:2,22
232:7	315:8 335:8	following	forty-four	112:23	49:1,14
firm 8:4 46:8	337:17	75:5 261:19	186:22	116:17,19	51:20,25
46:10 47:19	fit 281:21	274:19,20	197:4 221:6	117:2,8,14	54:3 77:14
86:24	five-fixture	follows 6:14	315:11	118:4,7	77:15 78:2
157:20	145:10	38:9 78:14	forty-one	120:2	78:7 79:3,7
296:21	154:12	foolishly	147:14	123:23	128:9,11,16
332:2	five-year	37:14	forty-six	124:5,5	144:19,20
firm's 8:1,1	222:24	footage	110:9	125:7,9	149:3
first 6:13	fixtures	224:11	114:17,19	127:3,3,12	181:13
14:25 42:25	226:18	foreclosure	114:20,24	127:12	184:20
43:2,3	FL-03930-A	48:15 64:22	115:3	135:7,10	185:18
48:12 59:7	1:4 347:5	90:12 167:8	117:11	164:19,20	186:6 196:3
64:19 65:10	Flagler 2:17	269:25	118:23,24	171:13	197:8,9,9
67:23 69:6	8:5	forensic	120:2	193:4,18,20	220:16
69:10 72:9	Flagship	217:12	123:18	196:24	222:13
72:10,12	25:10,17	forgave 92:1	147:14	198:17	225:6,7,7
77:2 80:17	flip 26:5 65:4	forget 20:25	forty-three	200:1,14,14	Frank's
87:4 105:10	192:22	22:19	283:12	200:23	25:20
105:18	flipped 49:5	292:22	forty-two	201:5,5	186:16
115:18	flipping	293:15,25	117:12	203:14	freak 83:10
122:13	193:2	317:15	119:19	214:21	free 18:25
132:25	floor 179:3	forgive 56:4	forwarded	227:10	Freudian
138:9 147:6	226:12	92:1,2	280:25	229:6,9	345:18
157:6,11,13	342:5	forgiven 92:4	281:3	265:10	friend 34:12
157:14	Florida 1:11	92:5	298:10	266:23	80:7 83:21
159:19	2:11,19 5:5	forgot 12:10	forwarding	272:2 294:6	83:24 90:15
171:25	48:8,14	84:5 297:1	38:4 125:14	294:7,7	94:16
181:3,6	82:7 166:14	form 7:12,16	forwards	313:22	157:12
184:1,3	166:20	43:11 51:24	105:11	314:4,24	164:14
191:8 196:5	297:3	210:21	fought	317:3	196:4
199:1 200:6	306:18,23	formal 7:6,7	311:13	329:13	199:11
208:13	328:16	335:10,13	332:25	333:9 336:1	263:9
211:2	347:7	formation	344:21	fourteen	281:10
216:16	flow 221:8	31:15	found 12:10	23:12 90:13	310:24
217:1	flowed	formed 32:10	48:7 87:1	120:1,6,13	friendly
219:19	245:21	32:16 43:6	88:5 92:11	120:14	64:22 83:20
230:1 244:1	flows 135:21	43:9 49:16	138:1 209:2	267:12,13	friends 83:9
246:4	flying 263:15	205:11,19	281:17	271:11	86:12 87:6

264:20,20	161:5 200:8	299:12,18	244:21	55:18	133:25
froms 150:11	255:1	301:4,23	245:17,21	gentleman	169:22
199:24	fundraising	303:25	245:23	76:6 316:11	188:22
203:5 308:5	28:5,6	304:2 305:5	246:10,19	329:22	189:18
308:11	funds 59:18	305:5,10,19	252:15	gentlemen	195:6 197:1
front 41:15	62:2,22	305:20,22	257:5	71:8	198:1
100:5	63:10,12,14	305:24	286:16	Gerry 30:16	219:22
155:24	64:3 74:20	306:4,20	290:6 293:3	31:24 32:7	276:5
170:21	97:14,21	307:21	296:15	34:24,25	281:25
171:21	98:6 101:6	308:1,21	297:23,24	36:24 38:5	292:6 293:2
172:12	102:3,4,8	318:1,9	298:10,11	38:10,12	293:7,11
217:22	103:18	324:22	303:25	40:2,12,14	301:1,9
218:12	131:20	326:16,17	315:10	41:5 43:7	332:23
238:15	140:10	furniture	320:19,23	43:19 44:17	335:12
239:2	150:19,21	96:3 226:18	321:2	89:9 91:22	342:12,17
287:14	153:6	further 81:11	Galle's	149:8 297:9	given 92:10
frustrated	157:25	188:20	159:20	Gerry's	118:8
328:11	158:1	fussy 159:8	242:13,24	32:11,15	122:25
Ft 54:8	159:19	future 245:8	244:22	38:18 89:10	249:12
full 6:16,18	160:2,5,12	fuzzy 21:3	304:2	gestures	299:25
7:25 79:6	160:20,25		game 92:18	19:15	300:1
139:20	161:17	G	Ganesvort	getting 23:13	332:21
149:11	162:23,24	G 5:1 168:14	54:11	37:19,21	giving 16:9
166:17	162:25	G-A-N-E-S...	garage	52:2 75:14	86:3 97:22
183:14	163:4,11,18	54:14	342:14	86:11 87:25	311:3
292:7	165:15	Galdencio	gas 51:16	88:2 94:12	317:18
fully 40:7	174:21	2:6 5:7	207:24	117:8 118:9	glaring 211:1
141:11	175:8,18	62:21 63:10	GC 174:15	120:19	glass 92:25
fun 328:20	177:15	63:15,19	176:22	139:10	Glenn 29:25
345:25	179:12	95:21 96:7	Gemor 87:2	155:8	30:11 41:11
function	184:7 185:9	96:12,15,22	general 20:14	158:18	42:8 48:15
325:13	200:17	97:1 231:13	84:25 86:10	236:19	48:20
329:11	201:13	231:17,21	130:22	254:12	145:14
functions	206:13,14	232:5,18,24	143:4,12	255:10	149:16
219:6	206:16	233:9,17	145:7	264:11	159:6,7
fund 87:16	234:16,18	245:11	146:14	317:11	167:7,7,8
97:10 99:2	239:12	308:21,25	154:6,8,16	320:21	167:12,12
99:22	241:8 243:1	309:4,21	168:7	329:1,16,20	167:15,16
202:16	244:25	310:1,4,16	187:11,17	335:6 346:6	167:23,23
247:18	247:1 258:8	311:10,19	201:23	girl 130:15	170:6,15
326:18	262:9,14,15	312:1	218:16	232:20	171:13
344:19	262:16	316:14,17	219:11	girls 208:7	179:25
fundament...	265:8,15	317:1,3	generally	give 8:17	181:24
151:22	268:1	321:5,12,18	29:7 134:18	70:7 71:11	182:16,22
funded	269:22	Galle 63:6	134:19	72:4 78:17	183:6 192:3
141:10	270:25	67:10	139:1	78:22 79:14	193:22
funding 89:7	271:2	159:24	152:11	84:6 89:21	198:18
93:19 99:18	278:10,11	242:12,12	254:12	89:22 92:17	199:14
99:23,25	279:2 283:8	244:12,19	generated	130:21	200:18

201:2 245:9	246:19	332:10	177:20	186:7,17	171:13
245:15	306:16	grand 79:14	188:17	189:12	191:12
246:7 286:7	320:18,23	84:1 85:23	193:1 203:2	196:20	193:18,19
286:16,24	gold 191:20	135:7,7,10	203:4 204:6	198:25	193:20,20
288:12	golf 28:18,19	204:12	205:17	199:15,22	200:23
290:12	222:7	223:7	206:16	222:12,25	203:15
292:23,23	gonna 121:21	231:11	211:18	228:3	207:13
293:6,7,10	345:6	232:1 238:4	259:17	229:25	329:23
293:16	good 8:3	263:10	261:12	230:11	Hamad
303:15	34:22 50:12	311:7	266:15	231:25	100:14
308:9	75:16 84:8	great 48:25	268:15	232:11,15	hammer
311:13	94:2,18	89:11 91:13	272:17	233:22	343:4
312:18	134:6	144:21	298:18	235:10	hand 6:7
313:9	154:24,25	155:3	300:24	247:9 265:2	85:16
315:16,25	155:1,2,19	219:22	302:1 303:7	271:14	155:23
316:2,8	165:21	220:2	306:14	286:13	167:14
318:11,13	179:2	229:13	308:5	289:5 301:9	223:21
318:15	199:15	287:16	311:16	340:10	225:16
322:9	213:22	308:8	320:21	345:23	263:11
324:13	216:11	344:25	guessed	guy's 228:11	293:16,25
327:19,23	220:6 224:5	greed 87:8	200:24	228:25	Handler
328:12,14	237:9,10,20	94:10	guessing	325:16	88:23 90:7
328:15,16	237:20	Greg 222:6,8	25:13	guys 83:4,5	268:9,19
328:17	242:1,1	grew 124:3	175:17	88:5 176:13	hands 85:14
331:19,22	244:23	grey 213:8	177:9,10,17	176:18	handshake
332:22	263:18,22	gross 236:16	177:21,25	177:23	84:2 110:23
333:5	292:5 305:9	ground 78:25	182:13	179:19	267:9
344:23	323:13	group 25:19	204:11,20	229:11	handwriting
Glenn's	334:15	47:3 186:4	215:15	234:5	115:18,20
167:23	343:19	204:23	227:8	274:12	115:21
170:5	344:3	305:12	339:19	277:7	116:5,8
293:16	346:10	grown	guide 29:10	317:10	238:15,19
315:24	Gorman	122:20	gun 89:16,17	323:13	238:19,20
GM 144:19	68:11,12,16	guaranteed	89:18	324:5 345:7	238:22
145:8 155:1	68:24 69:15	90:23 303:5	guy 47:15	345:12,14	251:1 252:8
GMP 172:17	69:19 70:14	344:15	53:25 66:8	345:15,18	252:25
God 84:15	70:18 72:20	guards 38:23	68:4,8		253:11,12
90:17 155:6	74:2,13	guess 13:14	78:15 84:3	H	253:14
311:13	75:6,19	23:4 44:2	84:17 85:25	H 310:22,23	254:3,4,9
340:23	76:20 77:9	51:24 60:14	88:11 94:14	310:24	254:14,15
God's 91:16	77:18 81:2	60:16 80:14	100:13	311:8	254:16,20
GoDaddy	82:4,13	87:8 94:7	110:23	hacked 88:6	285:18,21
213:25	gosh 57:4	95:18	144:21,22	88:6,10,12	339:5,6
goes 38:22	gotcha 103:4	124:21	149:16,20	half 47:25	340:24,25
59:12 97:22	127:10	129:19	155:23	56:10 76:9	341:3
142:18	314:9	143:11	156:23	92:13	handwritin...
201:5	gotten 39:6	147:8,22	165:21	115:24	115:19
233:19	238:2	148:4 175:6	176:14	153:14	handwritten
245:22	Governor	175:23,23	184:19	155:5	4:6 281:15

281:17	Haven 166:2	79:4,7 82:5	264:21	180:16	hotel's
284:24	168:6	88:24 94:15	HG 311:5	316:4 325:2	306:15
handy 256:1	173:16	94:22 106:5	hide 278:6	343:3	307:13
happen 85:25	174:16	123:17	HIG 25:20	holdbacks	hotels 222:19
97:15 98:23	175:9	145:9 146:9	76:21 77:16	288:9	236:2
103:14	225:25	149:18	149:1	289:17	hound 75:6
155:14	306:19	156:21	high 144:23	holding 45:8	hour 90:8
223:11	hazarding	179:18	185:18	76:2 85:14	153:14
258:20	268:15	184:23	188:16	85:16	176:21
317:23	hazy 36:13	190:18	higher	258:16	177:3,5
happened	HB 231:25	212:2	267:11	259:10	207:12
20:3,3	236:12	219:14	322:15	Holdings	hours 155:7
30:11 31:16	HBS 220:14	221:23	highlighting	24:13 42:12	House's
85:3,5 87:9	he'll 219:23	235:9,11	249:16	44:11,19	137:8 286:7
93:18 97:12	234:1,1,2	237:7,21	Hilton 54:8	45:4,11,14	housekeeper
99:3 106:19	head 124:16	253:16	hire 85:20	holds 89:17	229:24
108:10	139:3 178:3	264:21,23	130:17	home 13:3	230:8
170:13	204:20,21	273:23	146:18	51:17 229:3	231:10
241:23	209:24	285:25	191:15,17	229:4 235:7	housing
249:17	231:8,9	289:20	191:18,23	337:25	231:18
279:5	233:6 260:9	313:12	211:18,19	honestly	huge 61:20
286:23	317:12	317:14	214:10	196:17	237:2 247:6
292:21	headers	324:18	hired 11:25	307:14	278:16
296:7	187:11	345:7,15,18	47:15 86:24	Hong 101:13	hugely
318:12,25	health 144:23	helped 47:18	120:20	102:12,13	237:21
323:5	146:16	47:20 50:11	121:1	266:5,8	humble
324:24	heard 25:17	52:3 84:16	128:17	271:7	91:18
326:14,19	hearing 1:14	145:13,16	129:10	329:23	humbling
332:6,7,9	347:15	149:17	131:3	honor 116:6	91:17
332:16,18	heart 99:23	228:4	146:12	honoring	Humming...
happening	110:22	233:21,24	148:23	116:6,7,11	77:19 78:25
97:16	Hedrick	271:22	199:22	hope 86:12	hundreds
282:25	177:1,4	297:2	210:5 216:8	289:6 344:8	137:7
happens	held 12:23	helpful 17:11	220:16	hopefully	hurt 48:22
191:16,24	158:4	helping 14:10	221:20	29:12	59:2 81:14
harassment	206:15	134:4	222:5	195:17	91:24
71:10	300:2	149:20	232:20	230:18	178:10
hard 62:6	307:22	219:5	271:25	hopes 28:24	265:22
101:2	325:4	helps 95:20	272:1	hoping 182:1	293:18
229:15	347:12	195:7 217:3	hiring 128:9	Hopkins 2:16	Hyatt 48:7
317:9	hell 330:1	283:23	144:20	8:4	
329:16	help 22:4	Henry 88:22	history 26:17	horrible	I
344:24	24:16 34:7	90:7	174:7	345:21,22	IberiaBank
hardware	34:13,21	hey 75:16	hold 26:18	345:22	51:15
36:16	35:3 38:21	83:14	38:20 49:16	horse 156:8	IBM 88:20
Hartford	42:14 49:15	119:16	58:18,18	hospitality	idea 15:5
65:10	50:21 53:7	151:24	74:20 118:3	25:19 47:3	38:17 73:1
hate 91:25	53:25 70:1	179:17,18	159:15	47:14 87:1	75:24 87:15
92:4 156:8	70:4,5 75:2	246:11	167:16	87:2	88:25 89:25

97:1 101:16	improvement...	221:22	intangible	278:22	305:10
132:16	202:14	318:1	291:13	286:8	investors
142:25	inches 226:15	individuals'	295:19	290:13	25:19 47:3
143:3 144:2	incident	219:20	integral	interested	58:3,4
148:7	38:22	info 280:7	214:6	96:21	111:21
150:15	include	inform 19:20	235:14	interesting	302:17,19
154:25	198:17	information	intended	158:7	305:12,12
224:23	included	7:12 9:20	59:17	internally	305:13
229:19	22:21 173:9	129:12	246:22	234:22	inviting
247:3	176:6	130:7 140:2	intent 146:10	International	346:6
261:11	193:23	188:5	146:19,20	28:19	invoice 101:7
288:22,22	277:23	255:16	311:9	Internet 45:4	involved 8:20
309:25	includes 26:8	280:11,19	intention	213:17,21	9:1 12:4
312:18	including	Inga 93:20	16:25	213:23	14:9 28:7
336:18	181:7 227:5	220:5	interact	interpret	134:3
341:4	inclusion	initial 126:19	82:20	191:6	ironically
identificati...	128:22	261:17	interest 8:22	interview	217:15
10:20 11:12	129:16	262:11	9:5 25:1,2	264:3	irony 90:4
14:19 15:21	incomplete	291:4	30:1,13,17	interviewed	issue 326:8
21:18 29:15	20:18	initially	32:8,11,12	145:8	330:17
42:21 69:2	incorrect	147:23	32:15,21,24	introduce	335:9
74:5 76:23	319:3	291:6	32:25 33:6	80:25	issues 9:4,14
79:25 81:6	increase	331:17	33:16 35:1	134:15	82:23,24
125:17	274:17	Ink 268:20	35:6 36:2	introduced	83:2,11,11
168:18	independent	insane	37:14,22	52:10 68:10	101:14
180:12	131:18	301:10	42:7 49:4,8	68:16 70:11	126:7,18
197:18	India 241:13	inside 96:12	50:23 65:23	243:6	148:21
248:6	247:7	insisted	66:6 89:22	303:20	154:11
279:18	271:13,22	151:14	106:22,23	introducing	265:22
282:20	272:1,2	institute	106:23	168:21	it'd 277:24
285:6	Indian	91:10,11	107:6	241:22	it'll 17:6
IDENTIFI...	100:13	instruct	110:10	investigate	100:5 295:9
3:6 4:3	184:19	39:16	111:4,8,15	210:12	295:11
identify 7:25	indirectly	instructions	112:17,23	investigated	331:4
identifying	24:10 104:5	25:12	117:6,10,15	210:10	338:18
214:25	104:13	insulate	117:19	investigation	item 140:5
image 60:14	individual	149:4	118:8,12,12	6:23 7:3,7,8	143:9,10
imagine	16:11,13,18	insulting	119:17	8:21 9:2	146:3,23
114:22	16:22 17:9	170:16	123:13	18:15	155:13
187:25	60:10	insurance	124:5 126:4	343:22	178:21,25
199:11	100:17	144:23	126:5 127:9	investment	179:5
248:13	174:18	239:21	127:10,11	60:24 61:7	items 132:13
301:8 305:4	221:7	240:11,13	127:19,20	investments	138:18
331:15	individually	240:16	128:5 149:9	47:9 59:20	140:9
immediately	135:22	267:1,2,3	149:10	205:25	145:22,23
134:14	individuals	282:15	150:19	investor 63:6	147:18
161:4	59:22	283:2,6,15	168:9	185:18	148:2
important	130:10	insured	182:14	271:2	156:10,14
221:2	204:6	239:23	202:9	investor's	308:11

323:20	117:25	172:12	joined 223:4	keeping 49:4	108:16
341:2	122:8,10	173:1	223:9	126:23	146:15
Ivory 2:7 5:7	130:14,17	246:20	joining 5:10	134:23	165:13
22:21 23:4	131:13,20	346:18	joke 261:23	223:12	258:21
23:10 24:2	132:7 136:4	347:6	261:25	233:10	264:1
26:4,12,25	136:5,9	jealous 85:12	Joseph 42:18	263:3,4	323:23
27:7,15,22	137:19	jealousy 87:8	43:16 44:6	327:1	kinds 35:15
28:8,17,20	151:16,19	94:10	44:7,10	keeps 72:18	189:14
29:3 103:23	151:19,22	Jeff 68:7,8	82:8	kept 60:12	223:18
104:3,8,21	151:24	105:12	JP 91:1	71:9 179:8	knew 34:19
184:15	152:7,22	Jet 268:20	Jr 67:18	211:25	50:18 61:18
186:13,19	153:6	jiggies	July 262:10	228:7	63:6 83:18
187:1,6,21	160:15,19	191:21	262:12	230:16,17	87:20 89:10
187:24	163:1	job 34:22	282:14	230:18,22	99:11,14
188:3,11	187:10	85:12 86:9	291:8	232:2,16,23	129:19
194:5,24	188:4 197:9	86:19,22	295:11	233:12,13	143:21
195:4,6,11	197:10	115:16	331:21	245:18	154:14
195:25	206:18,19	154:17	June 115:9	252:16	167:4,12,13
196:10	209:14	176:16,22	118:18	277:16,20	184:22
197:2,12	211:6,18	177:18,23	119:14,15	Kevin 116:25	185:18
209:20	212:18,21	178:1 191:9	258:20	120:20,21	199:15
210:2,13,21	212:25	191:12	Justin 217:5	120:22,23	200:23
211:17,23	218:21	220:2,6	217:15,16	120:24	202:22
212:4,10,17	219:4,8	224:5		121:1,1	229:14
213:12	224:24	263:16	K	123:22	231:9
214:9,15,24	225:10,13	344:25	K 252:15,16	172:17	241:11,12
215:5,8,17	225:22,24	jobs 115:5	karma 70:4	219:19	241:13
216:3	226:1,2	Joe's 61:23	keep 38:7	221:15,19	248:19
218:14,19	227:5,6	73:10 88:23	78:16 81:23	221:20	266:17,18
219:3,9,18	230:21,22	90:4,8	99:21	Kevin's	267:25
219:24	250:10	94:12	110:10	116:23	272:5,6,7,8
220:7,13,18	263:19	116:18,19	126:13	119:18	304:19,22
221:14,21	265:7 273:7	119:18	132:15	120:17	331:2 332:5
221:25	298:8,11	123:21,25	149:5 159:3	key 235:16	333:12
222:3 223:2	334:14,15	124:24,25	171:12	287:15	340:6
224:7 234:7	334:25	148:19	184:12	keys 156:5,6	knowing
312:21	335:4	151:12	188:19	202:6	149:18
323:14,21	Jade's 137:12	159:1	193:1,2	235:23	257:1
	137:14	256:21,24	245:17	kid 34:20	327:19
J	210:8	272:22	252:22	223:1	knowingly
J 2:6	214:11	305:5	254:2	kidding	337:10
Jack 272:9	jail 87:19	307:12	258:22	188:24	knowledge
jacked	January 1:12	joedirect	264:24	263:24	16:18 22:8
267:11	5:3 23:6	125:13	275:6	kids 66:2	296:20
Jackson	93:6 113:25	jog 42:25	287:18	killed 86:12	339:24
266:3	147:7	100:5	295:7	330:3	knows 90:8
Jade 77:2,15	153:20	168:22	325:14	kind 27:20	103:8
79:19 114:9	169:13	John 100:7	339:20	31:14 51:16	147:20
116:20	171:23	join 237:22	346:3	70:7 94:23	185:5

266:13	land's 58:24	159:7 210:5	123:23	249:4 257:2	319:24
Kong 101:13	lapse 174:4,5	216:8	158:15,21	263:10	320:10
102:12,13	lapsed	244:22	184:12	338:8 339:9	324:25
266:6,8	174:10	272:12,13	191:8	Les 38:25	326:2,8
271:7	larger 122:12	293:3	192:18	41:22 42:2	335:16
329:24	290:18	lawyer's 51:4	214:5	56:21	336:17,25
Krista 89:11	Las 100:20	72:20 297:1	218:16	131:25	336:25
89:12,13	Lastly 40:1	lawyer/client	221:10	132:9,9	339:20,22
	late 263:21	13:15,17	252:9,25	151:6,9,11	340:4,6,10
L	298:18,18	lawyers	253:1 254:3	151:11,14	341:1
L-E-U-E-N...	303:16	134:9,12	272:23	153:2 158:1	Les's 63:21
144:17	308:16	199:22	274:17,17	158:10,12	63:22
label 188:22	lately 91:18	210:10,12	313:21	158:14,17	254:17,20
339:2	Laudano	277:9 279:6	315:24	158:19,19	296:12,15
labeled	38:4 166:1	297:4,4	left-hand	158:19,20	296:17,20
188:22	175:9	lay 139:20	217:1 294:5	159:9,16,21	309:7
190:2,19	176:10	149:18	legal 35:2	160:3,14,21	310:24
197:15	270:3	layman's	50:8 79:15	161:6	338:10
238:16	Laudano's	193:12	203:20	162:23	LESEVAN...
252:6 253:9	175:25	layout 149:17	280:14	163:13,18	339:3
254:8 268:2	204:24	layouts 62:15	309:22,24	164:9,14	Leslie 32:2
280:4	224:21	223:20,25	legally 30:24	165:23	41:17 157:5
289:25	Lauderdale	224:11	30:25 31:9	170:24	158:5
340:21	54:8	Le 52:10,11	41:24 50:1	206:13,15	247:24
labels 171:9	laughed	learn 330:16	57:9 66:13	206:20	let's 5:14
labor 176:19	87:20,21	330:22	332:24	245:24	10:6 34:18
laborer	law 157:19	learned	legitimate	248:13	40:19,22
176:20	296:21	147:23	134:22	250:10	67:15 72:8
177:5	297:3	165:4	lend 53:10,17	255:15	72:9 86:4
laborers	332:10	267:19	70:24 77:9	258:9,9,14	93:3 94:23
177:4	Lawrence	333:2	148:20	259:10	107:19
lack 254:25	220:7,10	lease 78:25	239:19	261:17	109:19
ladies 176:13	laws 7:2,4	266:24,25	258:21	265:8,11	113:19,22
Lake 79:2	lawsuit	267:1	270:5 271:6	268:4,7,8	122:3,7
104:17	332:24	302:12	271:11	268:10	124:7 135:6
land 25:5	333:2,3	leave 81:25	283:4	269:4,19	153:14
57:6,15,18	335:7 345:8	151:25	lender 91:13	274:25	155:6
57:20,22	lawsuits	167:23	lending	286:16	170:16
58:23 59:3	78:18	192:4 286:2	262:23	287:21	174:23
59:7,25	102:14	leaving 123:6	263:1	288:4,17	176:11
61:4 62:4,8	149:4	140:21	270:14	290:6	177:11
62:12 65:13	169:16	ledger 187:11	271:7	293:18	178:24
81:13,14	172:3	218:17	278:13	296:18,19	179:4,19
139:20	198:22	219:12	lent 53:6,23	297:3 300:4	185:5
182:12	lawyer 10:5	left 89:8	63:8 75:1,7	301:16	188:19
184:23	11:25 15:6	115:11,13	77:14 142:1	304:3,7,16	192:11
185:3	72:18 88:22	115:16	150:23	304:25	198:12
220:10	88:23 90:25	120:7,8	158:19,20	307:4	228:7
239:15	113:17	121:24	164:14	315:20	249:18,24

250:12	lien 200:13	292:14,16	45:18,24	162:2,10,12	91:25
252:5,22	308:17	292:17,19	47:4 57:4,5	185:6,8,10	101:24
254:2,13	325:3	319:25	57:6,8,11	185:22	195:2 229:5
255:20,25	liens 67:13	listed 13:6	60:4,17,17	196:19	229:17
256:5 263:5	288:14	41:17	63:8 64:25	233:3	235:13
268:22	317:25	145:25	65:5 66:23	234:25	look 11:20
269:16	lieu 64:23	187:17	66:23 67:4	244:16,18	22:14 23:19
273:5,21,22	life 90:16	221:15	67:8 89:23	245:1,1	24:23 26:5
274:24	91:14	310:22	106:25	252:1 263:6	43:23 44:23
280:12	325:16	341:3	135:23,24	263:8 264:9	48:16 50:13
286:2	328:1,2	listen 126:9	145:25	268:25	51:9 52:6
289:22	345:3 346:4	225:18	149:1,7,8	269:17,25	58:22 70:15
309:10	lifeline 83:24	literally	161:9,12,13	270:15	72:9 77:2
313:13	lifestyle	81:19 90:9	166:3 170:6	274:14	78:5,8 80:3
317:13	265:22	217:14	175:4,4	277:16	86:12 96:5
320:17	lights 191:20	litigious	193:17	280:2,2	96:11
340:20	liked 265:1	328:16	287:23	284:5 302:2	100:22
letter 278:15	287:4	little 5:8 15:4	297:8	302:5,16,22	105:17
334:14,17	likes 237:12	95:22	303:13	303:1,2,6,7	106:6
334:19,20	limit 28:1	136:10	336:23	303:14	114:22
335:4,10,13	limited 25:6	155:22	337:9,25	304:21	122:3,7
335:13	38:9 239:18	202:15	347:3	306:22	129:1 143:8
letters 62:13	line 43:24	236:18	LLC's 160:9	309:13	143:23
Leuenberger	138:17	292:13	LLCs 23:1,15	320:13	147:4,7,10
144:16	140:5,8	319:7	135:20	336:14,20	169:14
Leuenberg...	143:9,10	342:15	204:24	336:24	182:17
146:5 154:2	145:21	live 346:4	206:1	337:6 338:8	183:13
level 223:13	146:3,23	lives 89:14	LLP 10:1	loaned 70:17	184:15
264:1	148:2 156:9	living 83:5	67:16 82:22	234:19	188:3
levels 59:8	156:14	LLC 1:5 2:16	106:24	240:19	189:19,21
liabilities	178:21	6:25 8:4,16	126:4,5	241:10	195:7,17,22
43:18 44:16	183:3,10	9:23 15:1	loan 12:13	282:16	198:12
liability 60:8	192:22	15:17 16:1	53:20 64:3	loans 150:23	205:18
60:10 91:13	323:20	17:4 24:7,7	70:20,22,23	151:2	208:20
LIBOR	lined 35:12	24:11,12,13	71:2,6,20	269:14	211:9
107:3	35:13 36:14	24:22 25:3	74:21,24	278:4 307:4	213:10,18
110:15	36:15	25:5,6,6,25	75:3,16,17	locally	219:10,18
license 22:15	134:23	25:25 29:7	76:15,20	166:20	220:21
27:10	303:2	29:7,9,22	77:18 78:22	located 5:4	222:18,20
173:17,22	lines 211:5	30:1,2,13	90:24	8:5 64:8,11	229:19
174:3,7,15	240:4	30:14,17	106:24	216:5	240:4
174:15,18	link 44:11	31:12 32:8	107:19,22	Location	245:20
178:1	45:3	33:6,22	108:4,5,7,8	347:7	249:18
licenses 26:17	list 9:21	40:11 42:7	108:9,19	logical 51:10	255:18
27:4	22:24 23:16	42:10,12	109:14,18	259:8	256:18
licensing	24:8,15,24	43:16,18	111:20	London	257:13
173:25	28:12	44:11,15,16	123:14	86:24 134:1	262:8 267:5
lie 199:10	143:24	44:18,19	125:3	155:3	268:22
234:2	292:11,12	45:4,9,16	127:19	long 57:4	269:16

270:17	143:5 169:9	327:3	lowest 176:18	management	72:23 73:17
273:5,14,20	169:20	Loser 50:14	Lucerne 79:2	35:5 126:1	73:22 74:1
273:22	171:3	50:15 54:9	lucky 141:21	129:16	76:18 79:18
274:24	180:15	losing 50:19	lumped	138:11,20	82:23 83:6
279:21	181:2	269:25	187:25	138:20	83:14,14
280:12	185:23	lost 14:5,6,7	lunch 130:12	140:11	84:16,17,19
281:24	253:25	18:10 33:25	134:14	143:11	87:10 88:7
282:24	272:20	90:21 91:19	151:18	145:1 146:4	88:9,9
283:19	273:25	167:6 206:7	luncheon	146:6,20	101:1,13,20
284:7	290:8	241:2	153:15	154:21	102:20
289:21,22	303:21	263:13	lung 229:13	156:13	103:17
289:23	326:10	311:14	Luxury 223:2	manager	113:16
294:4	335:15	319:14		41:18	125:8,12
297:18	looks 43:5	323:25	M	142:22	163:20
298:2,24	44:9 45:1	327:3	M 63:7	144:19,24	180:7
303:20	70:16 74:17	344:19	103:23	145:7	197:14
310:20	80:6 100:18	345:4	261:19,20	146:14	243:12
320:15	105:14	lot 27:23	M-A-C-I-E...	148:10	247:22
328:14	115:19	28:24 34:22	230:10	154:6,8,16	261:15,18
331:20	122:10,20	50:11,19	M-A-T-T-...	217:17	267:17
335:19,20	125:21	52:12,12	6:21	managing	270:1,2,5
336:11	127:1	54:7,10,15	Maciel 230:9	31:11,25	271:20,21
340:20	181:15	83:23 85:24	230:9	32:3,14	276:23
looked 12:7	182:6 183:9	95:15 99:10	mad 280:8	33:11 34:5	279:12
13:1,2	184:16	100:11	Madona 63:8	34:9 39:1,1	282:13
17:24 22:15	185:2,9	110:7,17	magazine	41:18	285:1
41:14 48:17	188:4,20	128:8 156:5	237:8	121:12	345:13,16
62:19 77:20	196:18	179:14	magnitude	154:3	345:17
85:17 93:14	208:17	237:19	312:7	184:10	Mark's
100:20,21	209:5	263:8,21	maintain	manufactu...	102:24
114:23	216:22	265:22	209:14	65:13	marked 7:13
144:4	217:22	270:10	maintained	Mar-a-Lago	10:20,25
148:24	238:10,24	lots 35:1 52:9	187:10	28:14	11:11,15
198:13	238:25	287:14	230:20,21	marble	14:19,22
217:23	239:8 240:5	Lourdes	majority	155:12	15:20,24
222:22	257:10	230:7,9	36:2 89:5	March	21:18,21
250:11	262:10	love 281:25	making 36:9	101:19	24:21 29:15
253:22	280:17	loved 85:21	36:12	102:7 255:5	29:18 42:21
254:14	283:8,23	270:9	132:18	Marcus 71:7	42:24 69:2
255:2	297:16	loves 328:17	133:24	82:9 100:7	69:5 74:5
272:19,23	300:22	328:21	178:24	111:25	74:10 76:23
293:6	302:4	low 131:23	180:2 197:8	112:8 247:7	77:1 79:25
305:18	303:21	139:9	228:8 272:1	margin 176:2	80:2 81:6,9
318:12,23	307:5	287:15	309:10	mark 10:16	100:4 101:4
looking 23:12	324:15	lower 292:24	312:9,10	11:6 14:15	104:24
50:13 54:9	331:21	323:10	314:15	15:15 21:14	114:7
61:5 62:25	336:1,10	325:14	319:25	29:5 42:14	125:17,19
79:9 86:9	lose 90:12	lowering	346:7	68:3,17,21	168:18,20
99:3 124:4	326:25	313:10	man 333:10	70:15 72:10	180:12,14

197:18,20	40:3,13,25	166:9,11,19	78:10 80:15	214:1	190:20
208:14	42:11,17,23	member 5:21	100:5 131:9	Miami 1:11	281:11
216:20	44:11,19	10:12 19:5	168:22	2:11 5:4,5	minutes
238:6 248:6	45:4,7,10	27:17,19	193:19	96:5 173:21	89:13
248:8	45:13 46:7	31:11,25	212:1	347:7	Mirabia
256:17	46:15 68:23	32:3,14,25	215:13	Michael	24:12 57:2
261:15	68:25 69:4	33:11 34:6	221:17	223:19	57:3 60:23
265:6 267:6	71:6,20	34:10 39:1	229:14	266:3	66:22,23
279:18,20	74:3,11	39:2 121:12	252:23	might've	67:2 262:24
282:20,22	76:25 79:19	184:10	257:14	77:13 135:8	269:5
285:6,9	80:3 81:3,8	members	287:20	165:1 170:6	Miranda
287:17	82:5 93:8	5:11 6:2	292:13	177:5 225:7	57:3 181:13
298:8	114:2	40:11 41:1	mental 18:13	230:2	186:13
334:12	124:13	93:9 114:3	mentioned	242:14	188:4 195:1
338:23	149:8,9	153:23	32:6 65:16	286:17	195:12,20
match 176:17	153:22	180:24	138:9	mind 41:23	222:10
matches	180:23	235:4	212:23	41:25 42:1	224:25
187:7	185:25	237:22	mess 58:16	72:5 79:8	mirandam...
math 250:24	243:13	250:6	248:25	94:12,13	214:2
320:5	256:11	256:12	message	105:1 111:1	missed
matter 1:3,14	258:23	332:20	334:16	118:11	280:14
5:22 6:24	262:24	334:5	messages	136:12	mission
7:22 18:19	268:25	membership	81:19	139:13	91:24
61:17 93:11	269:4,18,22	28:10 30:13	messed	147:20	misspoke
347:3	283:12,25	30:17 32:7	248:24	148:19	316:18
mattered	298:9 334:4	33:6 37:13	330:1	149:22	mistaken
162:18	336:15	37:22 66:11	met 34:6,11	156:16	125:23
matters	343:20	126:20	48:8 49:14	161:25	mock 93:20
286:20	347:4	150:19	52:8 68:3	162:16	96:10
Matthew	Max 168:14	182:14	83:4 85:20	217:3	model 86:23
10:13	Mayor 68:9	286:8	100:22	239:18	94:23 95:9
215:21,22	McDonald	290:12	157:11	247:8,19	95:22,23,25
215:23	2:16 8:4	membershi...	159:11	259:4,7	95:25 96:5
Matthew's	meaning	28:4 235:17	160:6	277:14,24	96:6 237:12
9:11	303:11	235:19	166:20,21	281:20	model's
Matthews	means 91:4	236:15	222:13	289:16	94:18
1:7 3:4 5:19	114:25	memo 336:14	277:7	309:8	modify 19:19
5:24 6:10	135:16	Memorand...	Metropolis	mind-set	Moens 220:7
6:12,17	339:17	82:2	34:12	324:19	mom 85:9,13
7:14,21 8:9	meant 120:12	memorializes	Mia 102:25	mine 25:21	86:5,14
10:18,23	344:10	157:1	103:3,4,5,7	90:15 339:7	93:22 95:3
11:8,9,14	mechanics	memories	202:2 204:5	Mine's 341:7	mom's 87:25
14:21 15:23	288:15	20:9,13,14	204:18	minor 132:23	moment
18:13 21:15	medications	20:14,14,20	207:1,10	minus 120:2	124:6
21:20 24:12	18:18	21:3 195:8	214:1	123:19,20	Monica
24:13 28:23	Meen 223:19	memory 20:6	286:16	264:25	222:1
29:17 30:16	meet 67:23	21:1 24:17	Mia's 237:5,6	minute 41:17	monies
37:6 38:5	102:12,13	36:13 39:5	237:7	85:6,7	133:10
38:10 40:2	157:13,17	42:25 43:25	miamatthe...	113:13,20	135:4

158:14	movie 155:14	213:25	330:5	155:21	nine 113:6
249:3	moving	219:20,22	346:11	161:4 166:1	123:20
258:16	146:17	226:25	needs 98:6	166:9	124:1,22,23
304:13,13	329:9	230:6	308:19	169:11	124:25
312:3 325:2	multiple 8:21	Nantucket	negative	175:9 176:9	127:6
month 211:6	must've	67:13 88:1	179:22	176:15	166:12
242:16	43:10 117:1	284:3	negligible	184:7	176:17
249:14	127:2 209:1	narrow 23:5	306:24	189:18	180:2
254:13	335:11	23:20	negotiate	199:2,10	186:23
monthly	mutual 34:12	Nassau	244:23	201:14	188:10,12
120:24	36:20 80:6	296:23	342:9	204:24	188:14,15
255:11	MVH 42:10	nasty 287:13	negotiated	207:15	197:5 229:6
months 81:18	43:16,18	287:13	52:12 72:2	224:21	229:9
88:12	44:14,16,18	Naugatuck	72:7 75:10	225:3 226:5	252:15
109:12,21	45:9,16,18	64:24 65:5	75:11	226:20	253:2,7
139:10	45:24	necessarily	106:18	230:14,17	292:24
149:15		206:14	312:15	231:25	293:18
167:9	N	274:1	331:1	232:11,15	294:7
199:14	N 3:1,1 4:1,1	305:21	negotiating	234:8,10,18	297:13,14
214:21	5:1 153:17	343:25	331:18	270:3	298:13,16
217:6,6,6	153:17,17	necessary	342:8	Nick's 175:10	298:17,19
229:6,9	N-A-U-G-...	126:11	neither	207:18	298:22
255:7 312:8	64:25	327:23,24	111:20	227:15,22	300:7,15,19
344:22	N-I-K-L-A-...	342:21	net 108:22	229:17,22	301:18
moon 312:13	144:17	need 34:9	114:15	231:15,24	306:11,13
Moore 220:5	NAHCS	58:20 97:21	116:22	232:3	311:14
Morgan 91:1	200:6	98:6 126:13	117:4	234:24	320:3,8
morning 8:3	naive 260:4	151:17	185:18	Nicklaus	321:6,10
126:10,17	name 5:5	195:16	308:10	156:22	322:20
328:18	6:16,16,19	223:10	netted 322:8	Nicklaus's	nineteen 26:8
mortgage	7:25 8:1	232:10	new 34:20,22	272:9	26:11 167:3
91:7 196:24	12:2 22:9	287:19	45:15 47:6	Nicky 92:14	169:21
309:11	31:6 33:20	293:17	54:10,11	131:24	ninety 185:7
314:5	50:1 57:10	330:6,9,10	78:17 86:15	167:8 178:9	311:3 321:1
327:20	58:10,15	330:12	102:6 112:9	198:1	321:15
329:25	59:15,25	needed 29:19	166:2 168:6	218:24	326:20
MOU 81:4	66:13 158:5	36:21,21	173:16	222:15	ninety-nine
81:14	158:23	124:19	174:16	228:3 233:2	30:16 31:3
mouth 128:3	213:13,14	129:22,23	175:9 192:5	233:8,10,12	31:5 32:20
move 92:3	215:21	129:24	220:2 223:5	233:16	33:9,16
130:9 138:8	228:11,25	140:18	225:25	234:25,25	113:6 149:9
157:14	229:8 230:1	151:20	306:19	234:25	176:17
163:18	230:12	161:3	newspapers	292:11	ninety-six
164:9	272:12	179:24	34:2	night 223:11	123:5
222:23	297:1 311:6	180:1	nice 84:22,24	Niklaus	ninety-two
moved	347:18	250:24	340:10	144:16	283:10,11
157:11	named 22:19	263:9	Nick 38:3	146:11	NJL 204:23
165:1,4,16	173:21	280:24	98:6 128:12	148:23	205:25
166:14	names 47:10	322:23	129:13	240:16	nodding

19:15	42:16 43:6	122:24	128:20	83:17 84:11	346:12
nods 139:3	125:21	128:10,11	222:22,23	88:10 92:16	old 43:17
non-circu...	169:11	128:16,20	occurred	94:9 98:8	44:15 45:11
48:23	174:23	128:21	270:18	102:10,25	45:15 52:21
non-public	242:9,10,17	129:11	277:11	103:4 112:6	older 85:10
343:21	242:25	170:3	286:10	116:19	once 35:6
nonconfor...	251:22	181:14	ocean 85:13	117:9	51:23,25
342:4	320:16	184:17	October	127:12	61:4 64:13
nonrecourse	number 8:2,6	186:14	31:12,17,24	130:8 143:7	84:4,18
90:23	8:15 22:21	187:12	32:3 42:17	152:22	91:20 97:25
nonspecific	22:22 23:10	188:7,25	121:11,15	162:11	132:19
20:19	24:24 26:6	195:18	184:9	171:4,6	133:3 154:9
Norman	26:8,14,14	196:10,21	odd 237:1	172:25	164:14
222:6	27:4,15	198:3,11	312:12	173:1 182:3	178:5 211:6
North 64:8	28:9 102:6	215:4	offer 30:23	182:12	214:1 232:1
Nos 11:10	107:1,10	220:22	offering	183:16	236:11
15:19	116:7 119:8	239:17	59:19 62:3	184:18	244:10
note 12:10,11	122:20	251:17	109:15	185:21	one's 47:8
12:12 63:5	141:21	252:9,10	111:22	188:24	250:13
109:11,11	169:23	255:20	128:7,22	191:19	one-page
164:18	171:8	272:24	129:16,20	193:3	268:23
167:7	176:18	275:24	129:21	200:12	ones 16:1
238:18	188:23	289:9 294:9	139:25	205:7,23	23:20,21
239:7 265:3	189:7	313:1,16,20	145:25	213:21	44:20 68:15
270:13	190:10	315:23	149:6	218:12	231:17
278:18,19	194:12	nut 85:12	296:25	219:10	276:19
278:21	195:16		297:1,6	226:22,25	open 58:16
281:7,14,15	200:8,9,10	O	346:16	227:2 237:6	58:17 59:9
281:17	200:20	O 3:1 4:1 5:1	office 5:5	244:13	59:11,12
291:13	215:16	153:17,17	12:25 13:8	248:21	152:1
295:19	222:18,25	153:17	82:8 170:12	250:16	229:13
339:8	253:1,7	obligation	248:20,23	257:19	342:6,13,15
notes 4:6	255:4	309:1,22,24	249:12	258:13	opened 154:9
83:8,8	267:11	311:4	296:12,17	260:9 262:1	154:10
87:11 213:5	280:3	327:14	296:19,20	266:12	opening 7:5
238:10	284:17	obtained	officers 6:4	267:21	7:10 346:7
249:15	296:1	9:15	offices 5:4	273:21	operating
263:12	316:18	obvious	192:1	275:18	34:14
270:2	322:13,15	97:25	offset 333:8	283:21	opinion
284:24	330:21	167:10	333:10	286:24	128:4
notice 1:15	341:16	obviously	oh 13:14	288:22	opportunity
169:8	347:5	20:4 95:7	23:16 28:4	292:23	7:15
187:10	numbers	163:5	34:17 35:12	296:18	opposed 16:1
218:19,22	47:17 48:18	occasion	38:11 40:5	299:13	17:9 25:13
240:3	50:19 52:5	133:4	44:7 52:10	301:20	25:14 108:2
337:22	62:19	occupancies	53:11 54:7	306:20	124:23
noticed 78:7	115:23	52:7 329:7	69:11 70:22	308:4	210:22
165:15	118:1	occupancy	72:4 80:17	337:19	oral 267:9
November	121:10,18	47:18	81:11 82:16	341:7	orally 280:6

order 7:7	167:1 170:8	310:17,18	127:17	218:15	223:16
12:5 31:14	187:14	311:20,21	168:9	219:11	224:21,25
37:4 42:4	200:25	314:15,16	owns 24:11	238:16,20	225:2,7,7
62:3 77:18	267:8	317:15,16	24:12 29:23	254:4,7,8	225:24
106:7 112:3	341:22	318:1	31:3,9 44:2	254:15,18	226:7
121:14	344:10	333:10	44:3,14	268:1,13	227:15,22
191:15	outing 222:7	338:12	45:8,14,18	280:12,12	228:3,3,8
192:6 330:6	outline 84:25	owes 76:16	45:24 60:17	280:20	228:20
339:1	142:6	201:16,20	66:8 74:25	281:6	229:17,22
ordering	320:24	233:25	149:9,10	287:14	230:16
226:10	outside 128:9	owned 24:9	166:2 302:6	289:24	232:15
orders 191:9	128:11	30:16,20	308:9	297:21	233:10,19
191:10,13	219:4	32:7 33:10		322:4 336:8	233:23
192:17	286:24	33:12 41:23	P	336:11	234:4
194:12,19	outstanding	41:23,24,24	P 5:1	339:5	240:12,16
Orenstein	292:8,12	41:25 42:8	p.m 153:15	340:20	242:2
25:23 38:3	293:9	43:19 44:17	153:20	pages 1:8	266:19
47:6,12,13	332:11	46:14,22	346:18,19	115:20	268:12
48:2 51:20	overseas	47:13 49:20	PA 158:5	188:19	269:18
51:25	86:11	57:9 60:4	247:25	252:5,6	271:19
181:13	207:25	64:13,22	package 30:5	335:23	275:11
196:4	owe 72:1	65:12 67:1	146:16	336:1	303:6,8
Orenstein's	75:13 76:7	149:14,16	packet 78:9	paid 54:24,25	304:12
47:7	78:3 114:18	158:18	80:4	55:2,3,23	306:21
organization	150:15	161:19,25	page 22:21	74:25 75:4	309:5,9,10
27:17	201:18	162:17,20	26:5,6,13	75:4 76:15	309:15,18
organizatio...	202:16	167:1,11,12	26:14 72:9	80:15 81:24	311:5
28:11	214:18	181:24,24	72:12 77:2	84:1,11	314:13
organized	233:1,16	183:8	105:18	90:16	315:25
83:9 155:21	234:22	193:22	107:9	102:19	316:8,11,13
original	276:1,4,15	255:6	115:18	106:12	322:9
41:11 74:6	276:17	270:18	122:3	108:21	323:20
126:2 129:2	293:23	302:8,17,18	144:12	117:1	325:8
162:13	300:18	302:19	178:16,17	118:12	336:25
192:10,15	314:8	303:9,12	178:19	124:4	339:11,14
280:15	340:13	owner 34:4	184:16	127:19	339:17
294:25	owed 76:4,9	36:25 50:8	186:20	135:23,24	340:10
325:5	136:20	55:23,25	187:1	136:14	Palm's 56:23
342:19	201:24	60:6,6	188:23	137:6	131:21
347:13	202:11	149:24	189:19,25	164:16	132:8 150:7
originally	203:6	245:13	190:1,2,4	165:18,23	150:18
22:10 34:16	204:16	owners 33:11	190:18,21	177:6,11	151:5 152:9
42:6 44:5	215:1	103:25	190:23	182:22	160:8,23
50:17 68:4	275:23	ownership	191:4,4	188:15	206:4,17
70:3 83:6	300:21,23	25:1,2	192:22	203:19,20	207:1,16
107:2	300:25	33:22 36:1	193:4	203:20	paper 12:23
108:13	304:5	59:1 66:6	194:25	213:15,17	12:24 58:22
115:1	308:12,13	97:2 110:10	198:12,13	219:6 220:9	60:7 162:13
147:15	309:20,21	110:12	217:1	221:23	180:1 314:7

318:6,12	party 83:22	323:3,6	payoff	20:12,15	342:16,17
335:12	passed 93:22	324:9,11,14	270:12	30:16,20	perfect
papers 12:7	95:3 332:10	326:11,16	279:25	31:1,2,4,5	165:25
13:2 34:3	332:17	327:2,3,5	280:7,9,19	32:21 33:9	perfectly
91:9 287:12	path 51:6	330:11	payout	33:16 49:5	20:11
paperwork	patient	345:10,11	114:17	49:11 50:23	175:14
33:21,21	285:14	payable	280:10,23	59:12,13	performed
115:7 319:2	patterns	126:4 200:9	payroll	60:23 65:23	219:16
325:11	145:11	200:12	218:17,23	67:2,2	period 97:11
paragraph	pay 48:22,24	payback 75:3	218:24,25	88:19,20	178:4
72:16	51:15 69:14	paying 70:21	218:25	89:3 97:2,6	192:12
292:25	70:18 72:6	78:2,6 84:8	219:2,7	107:3,4,6	222:25
293:5	74:24 75:12	90:7 106:2	222:14,16	107:18	248:15,16
parcels 58:23	75:13 76:6	107:3	225:1,11	108:15	periods
parent 60:13	80:9,13	120:22	238:1	110:12,13	188:21
60:19	84:9,13	176:19,20	PB 9:23,24	110:16	Perlman 68:7
parenthesis	86:16 91:5	204:6	24:7 29:9	111:9,16	68:16 72:4
116:17	91:6,7	274:21	41:10	112:17,22	82:14
123:20,22	102:15	314:13	152:14,16	112:23,24	105:11,12
Park 64:15	105:25	324:13	161:11	113:6	Perlman's
parking	106:16	330:12	208:1	117:18,19	68:8
342:14	108:18	340:2	PB's 151:6	118:16	permission
part 36:14	120:20,21	payment	152:14	124:6 126:4	163:21
75:3,9,12	120:23	106:22	206:4,21	126:5 127:2	permit
76:7 115:23	121:1	111:8 118:9	207:9,16	127:3,8,12	332:11
150:10,21	132:21	200:3	Peach 25:25	127:13,16	343:6,9,13
155:22	134:21	payments	penalty 342:1	128:5,6	permits
176:21	141:4 145:6	106:24	pens 65:14	137:23	342:21
202:10	146:18,19	231:14,23	people 52:9	138:24	person 35:4
235:15,21	162:8 177:4	Payne 68:3	96:21	149:9,10,24	41:20 49:24
238:24,25	202:14	68:17 69:25	100:19,22	150:3 151:3	66:10 84:14
261:3,4	203:13	70:15 72:10	129:10	151:4	84:14
270:21,22	214:19	72:23 82:9	145:8	173:14	130:16,18
277:13	230:14	82:15,21	154:24	177:12	154:20
287:6,9	232:14	83:2,3	155:4	178:10	197:10
297:10	233:17	87:10 100:8	170:20	179:24	206:10
307:4	234:17	101:1,6,13	226:2,9,16	180:1 196:3	211:21,22
345:23	236:7	101:20	226:20,21	202:8	213:14
particular	241:17	102:8,20	227:3,7,13	206:12	222:1,5
81:1 97:12	242:4 246:9	103:17	227:14	222:23	223:9
97:14	253:21	105:12	236:2	232:17	225:17
178:15	270:7 275:4	113:16	246:12	233:16	228:2
particularly	275:10	125:8	265:23	234:4 235:2	229:23
17:2	279:8,8	163:20	270:4	241:4,16	230:3
parties 222:7	283:6 311:1	243:12	271:25	263:2	298:10
222:7	312:24	261:16	272:2	269:13	328:16
partnership	315:24	267:17	people's	270:14,15	personal
135:21	316:2	270:1	230:5	272:15	53:20 62:24
239:18	322:13	345:16,17	percent	278:12,25	63:1,4

73:11,13	persons 8:19	158:21,24	plumbing	prayed 92:5	28:22 85:19
81:25 99:5	9:1	159:12	226:12	92:6 278:16	91:15,20
99:9 132:13	Petraeus	174:24	plus 68:5	Pre-July	131:18
132:21	86:10	210:16	107:3	200:7	188:6
133:1	PG 303:4	231:5	110:16	predated	195:12
136:13	PG'ed 303:2	307:23	120:13	109:12	239:20
137:1	344:15	placed	123:21	preempt	241:19
151:12	PGA 216:6	307:22	185:4	211:16	246:7 311:4
158:13	phase 185:3	places 54:9	194:11,17	preface 258:6	312:23
159:1 215:1	186:8	331:5,6	236:23,23	prepaid	323:15
233:2	224:10,15	plan 50:17	271:13	106:22,23	344:2
234:10,11	236:14	138:17	311:20	111:8	346:10
234:17,18	phenomenal	139:16,23	312:2	118:12	previous
241:15	86:25	140:9 147:5	316:23,25	123:12	19:19 127:7
243:3	phone 8:6	346:5,6	317:24	128:5 267:5	245:13
244:16	73:3 87:9	plane 133:25	pointing	prepare	previously
247:14	87:10	228:18	115:24	197:3	70:10 100:3
257:2	photograp...	planned 85:1	194:9	prepared	104:23
258:18,25	212:1	91:21 92:10	points 45:3	122:9	114:6
259:4,12,15	phrase	planning	113:14	preselling	142:13,15
259:19	135:14	242:15	political	94:19	216:19
260:2,18	254:25	274:21	346:5	present 23:6	243:5
261:3	physical	plans 61:20	pool 192:3,5	23:19 28:2	256:17
262:16	18:14 96:7	140:1	192:6,7	32:18 33:7	261:14
263:3	96:8	plant 46:5	236:4	85:2 108:16	272:19
265:12,14	physically	play 72:17	poor 344:18	108:17,22	298:7
268:24	98:2	102:24	portion	114:16	303:19
269:12,17	pick 19:14	103:1	148:17	116:22	311:23
269:22	155:6 188:8	328:19	149:25	117:4,10	334:12
270:15	picture 36:4	played 73:23	possession	119:16	338:22
274:15	pictures	331:21	14:4 18:9	153:18	price 182:21
275:7,9,12	93:14	playing	254:24	212:10	183:11
275:17,19	piece 59:3,7	286:12	possible 9:4	presentation	185:5
275:21	62:3 65:12	plays 70:4	potential	185:22	192:10
277:24	103:25	please 6:6,15	8:22 239:13	186:10,15	224:1
278:1,11,13	104:1	7:25 11:22	potted 46:4	195:2	267:11
278:17,21	155:12	17:20 19:7	power 38:9	196:15,19	291:1,4
personally	162:13	19:11,13	38:18 40:14	presented	294:25
16:2 90:23	184:21,22	70:19 78:19	41:5 287:21	184:17	295:5,8,13
90:24	224:17,17	86:1 126:1	powered	presently	308:10
129:24	224:18	126:9	144:24	18:17	313:3,10
137:4	226:11	151:11	PPM 126:13	presents 8:22	323:10,12
149:12	237:15	179:18	126:23	president	325:14
175:1	pieces 58:14	256:17	128:7,9,15	264:4 346:7	primarily
233:14	58:21 59:25	258:9,10	129:7 141:8	presold 94:19	82:20
271:8,21	piggy 99:9	272:17	143:23	96:15,16	print 217:23
303:5	pilot 27:5	293:5 320:5	144:4,14	presumably	258:6
304:10	place 1:9	341:1	practice	45:10	printed 218:9
344:15	36:21 140:8	plug 178:25	211:5	pretty 26:15	218:11

printouts	312:17	214:17	128:19	184:6	323:10,12
189:18	332:25	progressing	236:8	239:21	325:14
298:13	334:25	98:22	projects	255:15	338:1
prints 155:11	problem 17:6	project 48:1	104:19	provided 7:6	purchased
226:14,14	26:12 326:6	48:10,11,12	226:21	7:11 18:8	205:5
226:15	340:4	61:6 66:21	236:18	40:15 41:5	241:24
prior 7:5,10	procedure	67:13 70:6	241:2	129:15	purchaser
14:4 18:9	18:21	78:1 79:1	promise 34:2	134:16	292:6
51:20 61:1	proceeding	87:4 105:20	317:9	140:2	purchases
98:4 150:20	6:5 7:9	105:21,22	promised	169:10	205:15
150:21	proceedings	111:16	86:20	188:4	purchasing
151:1	8:13 19:3	117:12	proof 159:7	221:18	227:7 289:5
159:10	347:11	118:20	Proofread...	provision	purpose
182:3,4	proceeds	119:6,13,20	347:1,18	295:6	211:19
183:4	71:21	120:10	prop 270:8	provisions	purposes 6:5
203:25	320:13	136:20	properties	7:1	pursuant
204:1	process	137:3	46:7 205:15	PS 263:12	1:15 11:3
218:21	271:24	138:19	269:5	Pugliese	push 311:16
private 58:2	processed	139:11	283:13	267:8,11	put 26:11
58:4 59:19	269:3	140:11	284:1	Pujani	31:13 35:14
59:22	processing	141:10	property	184:17,18	56:10 58:10
privately	247:8	142:22	58:14 59:18	185:17	58:15,25
62:2	271:14,17	143:10	61:10,12,14	186:4	59:9,15
privately-h...	271:18	146:20	61:15,17,20	pulled 345:1	65:21 81:13
22:23	procurement	148:10	62:7,22	purchase	88:15 89:8
privilege	226:16	154:21	63:18 64:8	41:12 42:4	89:18 91:3
13:11,17,21	produce	156:12	64:11	42:6,7	126:14
13:25 18:1	292:14	162:8 163:5	103:25	59:18 62:12	129:21,25
18:5 39:14	produced	163:9	104:1,3,7	63:14,15	145:18
216:9	13:21,24	173:18	104:10	104:9,10	155:1,3
privileges	14:1,3 18:4	180:5	161:25	182:10,18	158:22,24
216:16	29:12 122:6	193:12	182:18	183:2,11	170:5
probably	208:19,22	219:15	193:16	185:3,5	174:24
16:17 38:14	208:23	220:17	205:5,12,20	193:16,17	184:8 191:9
38:17 72:21	218:4 248:3	224:12	276:25	205:11	191:19
76:1 80:11	284:25	235:15	279:14,16	242:15	196:23
80:15 95:17	product 58:9	236:17	279:25	245:8 246:6	201:16,25
114:21	production	239:10,13	288:14	246:23	201:25
131:5,7	11:16	239:14	302:6,13,22	258:18	203:19
162:15	profession	256:25	318:1,25	259:2,13,17	210:16
177:12	27:13	266:20	329:25	259:24	212:25
181:7	professional	275:24	334:10	260:25	214:20
186:16	27:4 188:9	276:3,5,16	338:1,2	284:23	217:9 224:3
207:24	219:12	277:7,15	341:11	285:3 291:1	226:11
214:5	profit 168:3	279:3,9	protest 40:12	291:3 293:7	228:22
243:20	176:2	327:4 329:1	provide 22:2	295:5,8,12	249:3
289:23	program	341:24	26:18	304:1 313:3	255:25
293:13	60:25 82:8	projections	103:17	313:10	264:2
310:6	progress	52:6 128:18	129:13	314:5	265:20

266:4,24,24	247:25	110:9 118:9	192:8	127:1 129:5	342:23
276:18,20	256:3	118:20	193:10,14	134:4 139:8	343:3 346:4
277:14	335:16	128:25	236:18	140:16	realtime
279:2	338:24	129:2	243:15	146:20	210:7 231:1
303:14	QuickBook	235:20	286:19,21	148:7	231:2 232:9
310:13	187:7,9	rambling	289:12	154:15	reason 13:21
315:10,16	263:23	92:22	292:25	155:3	13:25 18:4
324:23	QuickBooks	ran 49:23	293:1,5	156:17,24	18:14 41:9
325:1	137:24	52:5 179:20	327:17	160:11,14	99:17
327:20	187:3 188:2	219:1	reading 77:4	160:15	162:22
329:24	188:2	276:19	146:2 196:5	165:2	187:16
344:11	209:16,17	326:6	243:25	169:18	195:19
putting 99:4	209:21,25	ranking	318:6	172:9	199:9 201:4
100:4 128:2	210:22	283:1	real 10:5	173:12	recall 20:24
129:20	211:25	rate 107:6	46:11	174:4,11	101:18,20
156:4	212:11	111:4	146:18	181:22	102:7,9,22
Q	217:10	119:17	162:17,22	186:8 188:1	126:22
quagmire	228:13,14	126:4	173:8	196:2,8,18	157:18
194:1	230:21,23	127:11,20	222:12	196:20	166:10
qualified	231:23	128:6	244:1 245:9	197:1	208:2 209:9
115:5	quickly 98:24	221:10	246:12	198:19	254:12
154:17	quit 78:15	rates 47:17	249:5 256:3	200:22	255:10
qualifier	90:2,3	52:7 114:16	267:6	201:8,9	287:20
173:20,20	quote 261:7	117:6	281:10	203:13	receive 14:24
173:22	R	128:19	295:12,21	206:10	37:7 69:6
174:14,16	R 5:1 153:17	129:9	297:4 309:4	212:9	73:19 74:12
174:19	336:15	220:24	310:5,17,25	215:13,15	80:4 174:21
questioned	R-O-B-E-...	222:20	311:20	216:11	243:14,24
21:8	6:20	Ray 173:21	313:16	218:5 219:8	received 15:3
questioning	raise 6:7	174:13,14	328:1,2	223:12	40:3 72:14
17:8	57:23 59:17	Raya 347:9	reality	224:5	119:5,6
questionna...	59:23 68:5	reached 82:4	293:23	229:10,15	126:5 185:9
3:13 21:15	82:5 108:13	293:15	296:7 323:5	235:25	273:1
21:25	109:3 110:7	reacquire	really 16:21	245:3 257:1	304:15
questions	115:2,3	94:24	16:22 22:11	259:25	receiver
7:19 16:3	116:24	reacquired	31:6 34:8	263:22	12:25 36:4
16:14,17,20	128:25	95:11	36:4 44:20	265:1	55:8 174:23
18:23 19:6	221:20,23	read 7:15	49:24 61:7	268:21	203:25
19:13 20:2	raised 62:2	45:12	61:8 62:6	278:7	204:1,9
22:5 26:6	107:17	106:21	67:13 70:8	284:22	210:16
35:24 36:5	111:10	111:3 118:4	71:14 73:12	285:11	231:5
36:6 151:17	114:17	123:16	83:18 84:24	290:9,10	receiver's
199:6	117:11	129:7	87:22 90:9	296:7 308:8	35:18
285:14	144:9 159:2	139:16	91:13 94:1	314:17	214:21
335:6	271:23	144:11,12	94:11,17,18	317:3 318:2	receiving
quick 3:25	raising 28:24	162:5 171:7	94:20 98:18	322:3 328:9	243:22
10:5 26:19	107:2	182:16	98:23 101:2	332:24	271:1
55:15 165:9	108:21	188:25	123:15	339:16	recess 5:16
		190:16,18	124:19	340:1 342:7	10:8 40:21

93:4 113:23	124:6,8,11	referencing	reimburse	82:25 83:21	19:2,14
124:9	124:15,20	185:25	244:13	84:16	21:14 29:5
153:16	144:11	referring	reimbursed	103:18	42:14 54:13
180:19	153:20,24	45:10	261:6,9	105:8	58:19 68:21
250:1 256:7	163:25	139:24	reiterate	130:10	73:17 74:1
333:25	164:2	148:3	279:23	157:8,19	76:18 79:18
recession	169:23	189:20	Reitz 83:16	204:25	125:12
332:10	180:18,21	281:7	92:12 153:7	233:25	180:7
recites 331:6	180:25	336:24	160:13	264:13,16	197:14
recognize	212:5	refers 188:5	265:7,25	264:18	247:22
21:22 181:4	223:22	239:9	266:1,11	333:22	276:23
181:10	232:16	refinance	267:18	release 80:6	279:12
208:21	233:10	307:18	274:25	80:17	282:13
216:21	234:3	reflect 223:22	304:13	releases	285:1
251:4	249:25	241:23	relate 276:25	73:24	reporting
254:15	250:3,7	279:24	related 8:15	remaining	1:24 347:15
recollect	256:6,9,13	reflected	9:8 29:6	234:9 292:8	reports 3:25
195:8	296:6	126:6	33:21 36:9	293:8	165:10,15
253:25	333:24	reflects 126:3	55:10 66:6	303:24	214:16
300:18	334:2,6	refresh 24:16	70:12 76:20	remembered	222:19
recollection	336:20	39:5 43:8	79:11 80:20	232:19	247:25
20:17 21:1	344:8,13	43:20,25	100:16,16	remind 310:8	335:16
21:7 25:15	346:17	183:23	102:21	343:20	338:25
43:8,21	347:13	186:2 217:3	104:14	removed	represent
186:3	record's	221:17	152:20	31:25	8:12,14
recollections	26:21 325:8	287:19	163:4,11	121:12	9:11,13,17
20:9 21:11	recorded	refreshes	168:14	184:10	9:23,25
recommen...	196:10	21:7 78:9	200:17	renovation	111:19
255:15	recording	252:23	225:12,13	160:7	117:3
reconcile	291:13	257:14	225:14	rent 91:4	125:24
211:7,12	295:20,21	refrigerator	226:21	267:5	147:3
reconciled	347:15	89:19	243:18	rental 236:4	152:18
136:17	records 74:17	regard 8:13	268:13	rents 91:6	159:18
record 5:3,15	81:13,14	137:14	269:8	repaid	182:11
5:18,20,23	97:8 198:22	regarding	279:14,15	240:20	200:10
6:16 7:5,11	205:19	102:24	280:19	repay 76:3	257:6
10:7,10,13	241:22,22	180:9	282:8,10,14	repayment	286:18
19:9,21,22	reduced	regardless	284:13	74:21	representat...
19:23 40:10	234:8	345:9	317:25	report 187:7	8:21
40:18,20,23	291:25	Regency 48:7	337:24,24	187:9	representat...
41:2 53:24	308:22	regional 5:4	338:7 340:3	199:19	16:10,23
58:20 67:21	313:2	5:9 82:7	relates 17:2,3	210:22	represented
85:7 93:3,6	refer 29:18	298:22	22:22 212:4	212:11,13	7:22 8:18
93:10,17	30:5 189:8	300:9 320:4	relationship	213:13	8:25 157:21
103:6,9	256:1 257:9	Regions	46:12,25	338:24	244:25
113:19,22	reference	217:2,18	56:6,8	339:1	262:15
113:25	79:1 239:2	registered	57:14 69:18	Reporter	representing
114:4	240:10	15:7,10	70:13 80:21	10:16 11:6	8:9 172:4
117:21	335:20	regular 84:17	80:21 81:16	14:15 15:15	represents

8:19 9:1 116:21 repurchase 82:6 167:17 request 185:17 197:2,8 281:4 requested 9:20 153:6 179:7 require 105:22 requirement 342:16 reservations 223:10 Residence 62:16 Residences 57:21 58:7 224:16 residential 221:3 residual 49:4 221:8 236:12,23 resolve 102:14 resolved 9:3 respond 12:5 262:4 281:13 344:5 responding 19:8 responds 126:8,8 response 22:23 41:6 44:12 45:9 45:14 154:2 208:24 258:14 281:4 responses 16:20 26:7 responsibil... 211:24	responsibil... 9:6 137:14 responsible 90:24 288:12,13 295:12 responsive 14:2 18:8 20:9,17 21:2,10 rest 63:5 204:12 restaurant 26:1 342:2 restroom 256:3 resume 144:21 343:23 resumes 129:22 retainage 325:3 retrospect 62:25 return 135:21 returned 121:5,6 revenue 55:18 128:19 236:16,22 revenues 129:9 Revere 107:19,22 108:4 123:14 252:1 253:21 301:13 302:2,6 304:20 320:13,15 320:18 review 147:13 210:2,8,16	214:11 reviewed 210:23 212:18 reviewing 21:6 212:21 revoked 41:8 rid 30:24 71:8 78:18 78:19 88:2 ride 86:15 right-hand 130:16 186:17 197:10 211:21,22 238:11 251:13 rights 229:12 rip 192:2 ripped 192:5 road 64:8 70:5 284:3 Robert 1:7 3:4 6:12,17 10:17 11:8 11:8 21:15 79:19 82:4 103:23 157:5 158:5 247:24 347:4 ROBERT... 290:2 Rogin 296:22 296:23 role 46:18 50:5 70:4 154:3 237:5 237:6,7 286:7,12 Rolls-Royce 86:16 roof 233:23 room 5:13 73:4 83:5 96:3,9,9 153:18 156:3 226:8	226:14 227:7 286:22,24 329:12 rooms 48:14 96:10,23 329:2,8,8 329:10 343:2 roughly 179:23 round 170:3 255:20 Royal 8:16 25:5,6 29:8 29:22 30:1 30:13 33:4 33:23 35:7 56:23 99:7 131:14,21 132:8 149:2 150:7,18 151:5,20 152:9 160:8 160:23 175:3 206:3 206:17 207:1,15 212:12 215:2 241:13 247:6 261:4 267:7 272:7 302:10,14 303:13 336:23 337:8 rubbish 65:21 Rubio 173:21 174:13,14 rug 345:1 Rujani 100:17 run 145:9 154:8 running 99:18 154:15	179:19 204:6 330:13 runs 155:24 RVM 240:6 339:9 rvmatthew... 38:3 125:14 Ryan 30:20 30:24 31:11 32:7 34:5,9 34:17 35:8 35:11 36:8 36:24 37:6 37:10 40:12 42:17,18 43:2,6,10 43:15 44:6 44:7,12,14 87:5,12 88:2,11,13 89:3 92:6 94:14 98:1 109:11,19 110:20 121:12 149:9,24 161:23 170:25 184:9 252:2 286:20,21 287:25 288:1 297:9 298:12 303:2 Ryan's 32:12 111:3	salary 148:25 sale 58:9 96:18,19,21 sales 235:21 Samuels 103:23 sane 82:23 Sardinia 222:6 sat 89:19 151:25 199:13 Saturday 223:11 saved 278:15 saw 12:13 52:20 59:21 62:10,11,15 85:17 87:5 87:7 89:17 101:10 109:18,23 115:6 120:25 127:7 134:9 138:17,17 140:5,8 143:24 147:16 159:23 165:11,15 169:10,11 169:12 196:21 197:24 198:8,9,11 198:14 211:1,2 218:12 222:10 246:19 252:23,24 258:7 264:9 264:10,14 268:16 281:18 300:3,16,21 301:15,22 309:6,9
--	--	--	---	--	---

320:5,7	116:18	scary 85:19	130:21	sell 65:21	101:20
331:9,15	117:4,23	scenes 287:15	133:9 144:4	89:1 236:1	116:20
340:2	119:4,8,21	schedule	163:22	236:4,9	280:1
saying 6:1	121:10	178:11	178:16,19	seller 63:18	sends 44:10
24:1 45:12	122:13,23	179:8,9	180:18	290:9,10	77:3 117:25
45:18 70:23	123:4,17,21	schemed	190:21	292:6	232:11
81:12 99:19	126:1,16	87:23	203:2	294:14	sense 78:15
118:7	138:18	scope 16:8	239:10,13	308:1,4	79:13 84:17
119:16	145:23	170:14	246:18,22	313:21	135:11
120:14	147:24	173:13	249:23	317:18	184:2
130:5 136:4	182:16	178:20	270:21,22	322:7	195:24
136:13	183:4 185:3	191:22	273:6	323:18	249:2
137:24	188:6,9,10	192:17	329:25	324:10	257:21
151:11	190:15	Scuba 27:12	secret 140:16	326:10	258:5 259:8
158:13	192:12,23	se 223:10	142:3	seller's 294:4	296:5
174:8	192:25	search 11:22	Section 24:23	294:8,16,17	301:24
177:16	195:12	11:24 14:10	292:4,5,5	294:20	319:8 341:1
181:14,15	196:21	17:20,22	secure 302:13	308:21	sent 12:12
181:18	200:3,7,8	searching	secured	323:6,16	14:25 37:13
183:6,7,8,9	209:5,11	12:4	302:5	selling 49:4	39:2 62:18
189:24	217:11	season	securities 1:1	290:12	76:1 88:9
192:9,15	218:6 239:3	198:24	1:9 2:3,8	send 15:11	97:24 102:7
214:7	239:5,5,7	seat 342:2	5:12 6:3,23	36:17 37:10	109:10,20
232:21	251:11,21	SEC 5:5	7:2 26:9	38:12 43:2	111:21
245:11	252:14,15	10:19 11:10	27:9 347:11	80:4 83:13	112:1
259:11	253:10	14:18 15:19	seeing 91:13	83:17,19	117:25
273:2	257:15	21:17 29:14	147:6 165:8	92:15 97:13	125:21
274:23	268:23	42:20 69:1	209:9	102:4,8	147:5,11
276:6	273:7	74:4 76:22	seen 29:12,20	121:25	157:22,25
278:21	274:25	79:24 81:5	48:21 86:23	131:24	158:1,12,17
280:5	289:3	125:16	125:23	151:8,14	158:19
300:13	291:18,20	168:17	147:4	158:9,10	160:7,13
308:20	293:10,11	180:11	160:16	160:20,22	161:7
316:15,20	294:14	197:17	197:22	160:25	163:14
318:16,20	298:12	248:5	208:16,18	175:8 178:6	173:2
319:11	299:1	279:17	212:13	179:12,16	175:13
321:21	315:24	282:19	217:20	196:4	176:8
says 22:11	318:6 322:3	285:5	230:19	237:10	177:15
34:14 43:7	322:6,7,7	SEC-LAU...	238:9,12	248:16	179:9,17
43:16 44:14	328:15	3:24 197:15	248:10	258:10	217:7,15
45:13 65:5	331:7	SEC-PAL...	288:5	263:19	231:25
71:3,5,18	334:15	280:4	329:24	268:8,9	242:11,24
71:19 72:16	336:12,14	SEC-REIT...	sees 281:21	301:11	244:2
82:3,3	336:14	107:10	self 88:23	304:14	245:16
102:3,4	339:8,9,15	second 38:20	self-fund	334:17	256:19,20
105:16,20	341:2,23	59:3 62:2	176:15	335:4	257:24
105:22	SB 224:7,9	72:16 78:8	self-funded	343:14	261:17
114:20	scam 266:18	78:24 104:1	176:6,22	sending	270:13
116:3,6,11	scaring 319:7	122:23	177:9,21	98:13,20	273:8

278:14,20	183:14	sets 65:20	291:14	259:23	181:8
280:9,16,17	184:6 187:3	105:8	294:19	323:17,20	197:20
280:18	187:15,19	settle 241:5,6	295:23	325:12	208:14
281:13,15	241:23	settling 328:6	seventy-thr...	show 24:14	216:19
298:12	320:17	seven 65:22	221:11	50:15 93:20	238:6 243:5
299:14	sequence	67:1 150:16	303:24	93:24	248:8
304:2	39:4	164:15	304:24	101:10	261:14
324:24	series 19:6	171:6	306:3	112:2	279:20
331:12,15	222:6	181:18	shaft 176:12	168:12	282:22
340:15,17	serious 83:11	192:9,16,20	191:18	195:14	285:9 298:7
sentence	145:2	192:21,24	shafts 170:10	208:12	303:19
123:16	serve 130:17	193:5,8,11	shake 209:24	213:20	334:12
274:6	258:15	193:24	shaped 192:3	216:10	338:22
separate	served 9:19	196:23	share 23:7	234:1	shown 95:9
36:23 47:22	server 88:17	200:1,15	25:15	244:22	sic 304:24
57:23 58:1	service	201:5,5	208:14	245:8 246:8	306:10
59:19 60:9	145:16,18	204:12,14	281:22	246:10	side 116:4
61:6 77:5	223:14,14	237:11	shared	256:16	135:9
122:4,6	services 1:24	253:2,8	111:15	265:6	190:15
132:15	221:17	260:9	sharing	287:17	191:20
135:4	set 25:21	291:14	105:1	292:3	217:1
140:23	26:1 28:21	293:24,24	281:20	295:16	218:16
143:10	41:22 42:2	294:7,18,23	sharp 341:8	319:20	238:11
146:3 149:5	42:5 43:18	294:23	she'd 160:22	326:9 328:4	251:13
170:10	44:16 47:6	295:2,22	237:8	335:11	254:3
228:7	57:4 60:23	308:13	sheet 13:6	showed 7:16	255:25
234:13	63:3,6 65:1	315:10,16	143:8	15:4 113:8	273:7 286:2
235:1	67:10	317:16	255:18	162:13	287:18
276:19	155:14,16	seventeen	Shelly-Ann	210:19	294:5
277:17,20	157:24	22:22 23:10	2:4 5:6	244:7	297:21
277:21	161:16	23:11 59:11	Shhh 112:19	314:15,16	311:15
290:21	162:17	189:6	shook 263:11	331:12	sidekicks
315:4	203:10	Seventh	293:16,25	showing	68:12
326:18	205:23	219:25	short 18:24	10:23 11:14	sign 86:18
342:20,21	211:19	220:1 224:2	44:18	14:21 15:23	110:20
separated	212:2	224:4	203:15	21:20 24:21	112:14
148:5 309:7	218:25	seventy 200:3	229:25	29:17 36:24	113:5 244:5
325:1	226:15	312:17	251:4 254:1	42:23 58:21	287:22
separately	237:12	seventy-eight	255:4	69:4 70:10	334:20,23
60:20	239:18	321:2,16	299:20	74:10 76:25	signal 223:21
156:12	259:23	seventy-five	302:24	80:2 81:8	signatory
302:18	271:20,22	80:9 180:1	shortly	96:17,18,20	206:3,5,21
September	288:20,25	203:12	165:14	100:3 101:4	206:24
10:17,24	313:9	310:12	205:19	104:23	signature
68:24 79:21	318:14	seventy-nine	308:2	114:6	107:7
79:22,23	326:2	156:4,5	should've	125:19	111:13
180:8	327:20,21	214:4	12:20 111:1	168:20	172:22,23
181:15	338:4	seventy-six	137:2,3,15	178:7	334:24
182:3,18	343:14,24	196:23	162:16	180:14	signed 60:5

69:11,13	six 65:22	119:5,10,12	snot 282:16	152:23	335:10
80:11 82:16	67:25 90:7	123:7	social 28:10	164:5 169:5	342:25
82:18 90:22	109:12,21	186:24	socially 134:5	169:5,24	sound 47:10
90:25 91:10	123:7,19,19	222:24	237:7	171:4	146:5
107:7,14	124:22	sixty-five	Society 27:19	172:13,18	sounds 42:11
108:19	145:15	91:10	28:4	173:3	301:10
109:2,4,7	150:16	222:24	soft 147:17	183:17,22	source 62:22
109:12,19	156:3	264:25	software	188:13	64:3
110:1,25	166:12	sixty-four	209:21	195:9	sources 272:5
111:11	170:9,10,10	122:15	sold 50:23	209:23	310:9
112:13	180:2 185:3	123:1	62:6 96:20	216:14,14	south 2:17
113:7	203:8	303:23	127:9 202:8	216:17	8:5 69:19
120:19	204:13	304:23	221:6,7	226:24	85:4 89:6
161:23	231:11	306:2	236:11	237:6,7	166:2 168:6
167:24,25	247:11	sixty-two	272:7	239:4	173:16
168:24	253:8 255:7	68:5 107:2	somebody	242:16	175:9
169:3,17,17	272:24,25	108:14	38:17 62:6	243:10	267:20
169:19	274:7,8,12	109:3	154:25	250:18,18	298:21
170:24	274:13	110:15	156:1	253:5 255:8	300:8 320:4
171:17,19	275:16,16	111:10	163:14	257:19	328:16
171:20	275:17	slash 116:4	238:11	260:15	Southeast
172:5,19,21	291:7	138:11,19	252:11,12	270:22	82:7
173:3,11	293:24	142:22	268:17	273:12	spa 178:24
244:3,7	294:15,23	143:11	325:18	276:13	179:1,2
252:2	295:3,13	146:4	335:11	281:2 297:4	329:11
334:25	296:8	156:13	someday	298:11	space 50:16
signer 137:20	297:12	229:25	149:19	301:1,24	58:16,17
similar 60:3	300:21	230:8	son 67:18	305:25	59:9,11,12
112:11	301:1	slightly	272:9	307:11	170:12,19
272:20	313:19	122:21	sorry 9:10	313:17,17	192:1 221:3
338:24	314:16,17	260:13	13:18,22	321:12,23	221:4,5
simple 88:25	317:16	slip 345:18	16:7 17:14	322:2,25,25	302:17,18
126:13,23	318:3,10,16	sloppy	22:12,20	324:5,5,6	302:19
156:17	318:18,21	136:10	23:8 24:21	324:20	342:6,13,15
201:9 246:7	318:23	340:5	26:11,14	325:7,7	spaced
322:3	319:1,21	slow 25:8	27:14 35:16	329:4,4	329:13
simply 16:11	321:18,19	260:15	37:8 63:22	333:4 336:2	spaces
39:18	321:19	315:14	92:21,21	337:4	329:11
205:11	322:14,21	317:13	93:1 95:21	340:23	span 248:1
Sincerely	344:13	small 22:18	98:10 103:3	345:17	248:15
258:23	sixteen	346:4	103:11	sort 20:19	speak 10:3
single 137:22	267:12	smaller	105:19	29:9 52:25	speaking
155:11,13	sixty 59:13	217:23	108:9 112:6	99:13 106:7	17:10 43:15
178:21	90:14	smart 155:2	112:20	158:16	67:21 71:19
237:14,17	222:23	155:4 212:9	117:22	168:22	98:17 324:8
263:17	271:23,24	222:12	120:1,12	223:12	speaks
sisters 85:15	314:16	223:1 224:6	121:13	233:24	195:15
sit 211:6	326:11,20	262:3	127:21	239:19	spec 237:19
site 219:5	sixty-eight	sneak 149:17	143:7	288:20	special

191:20	182:5 183:6	squeeze	86:6 96:17	93:19	structure
specific 20:10	183:7,25	179:15	144:6	107:19	137:13
21:11 36:13	184:2,3,11	Sr 67:17,21	158:17	216:12	structured
41:9 53:8	193:11	staff 5:7,11	178:5 232:6	256:2	72:24
99:15	204:5,5	5:21 6:2	264:17	326:12	stuck 158:15
134:17	237:2	10:12 11:18	331:17	327:6,15,24	studies 61:21
136:11,12	239:10,13	16:5 17:17	344:17	328:23	stuff 84:22
187:16	269:11	19:6,7 41:2	starting	330:13	132:14
195:19	295:10	93:10 114:4	159:10	stopped	143:24
287:21	Spicer 68:13	153:24	298:18	81:24 82:1	147:15,15
293:6 316:5	68:16,22	180:25	336:3	89:7 98:13	189:15
330:6	69:15,19	227:19	starts 105:18	99:18,23	198:23
specifically	70:14,19	229:21	starve 87:16	255:1	203:20,21
36:22 37:20	82:14	231:19	state 6:15 7:4	stops 98:23	205:16
51:25 99:1	split 143:17	234:18	7:25 11:24	stored 190:11	212:2 220:5
128:24	143:25	235:4 250:6	17:21 258:3	192:20,23	223:19,23
129:24	335:18	256:13	statement	stories	230:17
139:21	336:10	334:6	22:25	287:14	263:22
148:22	splitting	stage 237:11	181:20	story 89:15	308:14
152:10	87:13 89:2	stamp 169:22	290:5,22,23	straight 83:7	325:3
202:17	spoke 66:10	196:12	339:13	strange 84:14	subaccounts
212:6	91:20,21	stamped	statements	84:14 98:19	335:19
225:12,14	170:7	184:16	344:6	stranger	subject 43:24
226:5	196:11	186:21	States 1:1	264:17	44:13 118:1
327:19	221:16	187:2	6:23 86:13	strangers	265:8
335:14	280:6	194:25	status 51:11	264:18	sublet 50:16
338:7	spreadsheet	218:15	81:16	strategy	subpoena 3:7
specified	121:17	238:21	stay 194:2	235:22	3:8,9,10,11
53:1	122:4,6	stamps	287:12	236:1	3:12 10:17
specify	189:22	291:12	317:7	Straub 29:25	10:24 11:2
160:19	197:14,22	295:17	stayed 83:22	30:12 33:7	13:11,20
speculating	197:24	stands 42:11	259:24	33:24 41:12	14:10,16,24
25:14	201:12	star 144:22	270:10	42:8 48:15	14:25 17:21
speed 17:6	269:17	145:17	steal 312:16	159:6 167:7	18:4 24:15
169:8	spreadsheets	149:21	stealing	200:18	24:21
spell 6:16,18	306:13	170:17,18	87:18	245:9	208:25
54:12	Springer 2:4	191:25	345:21	286:16	subpoenaed
spelling 22:9	24:14 25:12	222:19	step 73:2	290:12	11:23
22:12,19	45:3	223:13	steps 12:16	313:9	subpoenas
spells 106:7	Springer's	251:12	stick 158:16	318:11,13	11:7,16,19
spend 261:20	78:11	start 24:19	317:13	318:15	11:20 12:6
262:2	137:12	24:25 44:9	Stohlman	326:10	13:24 14:3
spending	sprinklers	125:20	215:23	327:19	15:16,25
84:20	329:14	192:11	stole 88:17	328:15	16:4,21
spent 99:10	square 91:2	222:22	90:5 329:22	333:6	17:2,3 18:8
99:13 139:9	221:6	239:17	stolen 90:5,9	Straub's 35:6	subsequent
149:14	222:21	270:19	345:24	286:7	54:3 97:9
171:13	224:11,12	285:17	stood 293:15	street 91:1	122:25
181:16	344:17	started 85:23	stop 81:20	104:2 272:7	182:10

341:20	summaries	15:11 17:7	343:4	142:1,7,17	121:21,22
subsequently	214:16	19:13 20:12	surgery	142:18	121:23,25
49:10 54:4	summarize	24:18 25:4	229:13	147:7	126:10,16
305:19	19:22	25:14 26:2	surplus	148:10,19	130:9 134:8
subsidiary	supersedes	28:22 30:10	304:16	150:9,20	134:11
59:25 60:11	327:17,18	47:11 49:12	surprise	179:25	135:17
60:12,16,19	331:8	58:20 61:3	111:24	184:15,20	144:14
substantive	Supplemen...	61:7 64:2	142:4	195:7,17	152:1 263:5
5:22 10:11	7:7,12	65:6 66:12	276:18	208:20	284:23
41:1 93:9	supplied	66:15 74:17	surprised	219:10	286:3 302:1
114:3	128:21	93:2 98:8,8	102:9	231:10,11	talked 19:23
124:14	238:13	98:11,12	surrounding	234:12	52:1 70:3
153:23	292:11	113:6 118:5	26:16 28:9	252:2	93:13 99:4
180:24	supply	118:16	101:14	256:17	107:5
250:5	272:11	119:9	Swanson	279:21	108:15,15
256:12	suppose 92:2	123:15	263:20	282:24	108:20
334:5,7	143:3	127:1	swear 6:6,8	285:13	110:8
subtract	supposed	129:18	347:10	293:13	127:24
294:16	38:8 57:18	130:19	Switzerland	297:19	138:3 202:6
318:2	69:24 90:5	135:3,8,9	144:21	303:20	214:13
subtracted	113:10	141:20,21	sworn 6:14	306:12	228:10
294:17,21	116:24	144:13	system	314:7	235:5 236:5
294:24	117:14,15	151:17	210:22	317:13	240:1,18
295:1,2	121:5 125:8	152:5,5,6	systems	343:13	257:4
successful	134:23	154:14	36:21	taken 5:16	266:15
327:13	136:1,9,16	155:25		10:8 26:18	270:1,3
329:19	139:21	156:6	T	40:21 64:3	271:21
successfully	141:4	164:20	T 3:1,1 4:1,1	71:20 93:4	281:16
100:25	199:12	174:6	153:17	113:23	287:7
sudden 59:11	246:5	209:13	table 70:1	124:9	311:22
59:12 98:22	259:23	213:8,9	237:16	139:14	336:16
124:3	260:3	214:13	299:8	141:11	338:11
sue 293:12	272:22	215:3 225:5	take 11:20	148:13,14	talking 66:24
328:18	274:13	230:17,24	12:1 18:23	148:15,17	77:6 86:6
sued 91:14	288:4,17	232:21	26:5 41:16	153:16	87:12 93:18
sufficient	289:2,8,14	241:4,20	56:18 58:19	180:19	106:8 122:1
173:25	304:9	244:2,3	61:23 70:15	187:13,19	126:23
suggest 45:24	311:11	249:20,24	78:5,8	244:10	127:1
suggesting	313:9	253:20	81:22 87:24	246:15	130:22
72:24	315:11	255:22	88:21,25	250:1 256:7	136:23
suit 91:13	318:14	256:4	91:5 92:24	328:12	142:10
277:8	323:2,6	272:18	94:8,12	333:25	154:6
suitcase	324:9,11,14	275:18	98:1 113:13	338:9	181:23
156:1,2	324:22	277:5	119:17,18	talk 12:16	189:17
170:22	326:16,20	282:16	138:25	19:8,22	200:18
Suite 1:10	327:9	284:4 326:9	139:4,8,11	56:25 63:25	216:16
2:10,18 8:5	supposedly	331:10	140:14,18	64:7 67:15	230:25
suits 35:2	63:3	333:17	140:22	86:6 100:6	231:18
71:9	sure 10:4	335:1 341:2	141:24	101:13	232:20

259:9 265:5	196:8,25	17:17	thick 226:15	60:20 63:1	75:14 76:3
266:22	228:11	tennis 328:19	thing 27:20	83:3 85:3,4	76:15
273:6,18	229:1,14	term 303:4	36:13 51:16	98:21,23	200:13
277:10	238:8 241:8	terms 69:16	61:6 64:16	100:24	252:25
307:20,21	256:18	109:4	64:17 80:15	107:1	253:10
312:2 328:6	260:1	111:20	80:25 81:13	123:11	291:15
333:14,16	263:20	167:20	86:10 88:2	128:24	294:19
334:9	265:3	193:13	91:22 97:3	132:23,25	295:24
talks 126:7	282:25	testified 6:14	97:14	135:3	thirtieth 49:3
task 146:5	286:3	testify 18:14	109:25	136:20	thirty 49:3
tax 198:24	289:11	18:19	113:7	138:1	57:24 72:3
291:13	292:21	217:13	122:18	143:23	74:23 75:2
295:19	293:4 302:9	276:12	131:1	146:6	75:10 85:22
TCO 329:5	304:15	testifying	132:21	150:11	89:13
330:6	335:2	16:21,23	133:9 134:6	152:6	105:23,25
TCO'ed	336:16	testimony	134:22	154:13	194:15,16
329:2,10	338:6	16:9,10	144:11	156:11	194:20
team 88:15	telling 111:7	19:4,5,9	155:21	157:21,24	220:23
129:16	163:15	20:1 21:9	158:7 161:2	169:8	223:7 236:9
technically	165:1	233:5	167:10	189:15	263:15
323:17,19	187:18	296:12	179:7,21	190:6,8	294:6 303:3
324:7,14	314:25	text 81:19	186:11	211:1	303:6
telephone 8:2	333:18	texting 81:24	190:23	212:24	326:22
tell 6:8 18:25	tells 258:19	texts 79:16	193:17	224:4	342:16
19:18 20:8	temporary	thank 12:10	194:1	226:17	thirty-eight
24:25 30:3	329:6	12:11,12	201:17	227:14	306:25
30:10 37:19	ten 46:20	17:13 25:24	216:11	234:17	thirty-five
48:10 61:13	67:4 88:5	26:4 29:3	217:8,22	247:8	26:21 27:16
71:22 74:16	110:13	39:7 44:25	236:22	267:19	72:3 74:23
80:4,5	112:17,24	46:3 104:21	237:17	271:14	75:8,10
81:10 82:18	117:19	105:3	260:5,8,24	277:11	90:21 171:6
82:25 91:17	125:2 126:5	197:12	264:5	288:9 295:9	192:9,16
92:8 101:5	127:2,8,13	216:3	271:23	314:21	200:2 201:1
101:17	127:16	250:16	276:20	331:21	206:8
114:13	128:5	270:13	277:3	332:4 338:4	thirty-four
128:1,3	130:23	278:14,15	280:15	343:22	26:20 175:6
133:9	139:10	281:7,14	284:23	thinking	313:23
134:17	149:15	284:19	297:3	70:24 85:19	thirty-nine
140:7	157:15	311:13	306:18	178:3	110:8
143:22	166:12	316:16	311:5	182:13	114:21
151:19	167:3,9	336:6	328:20	231:21	115:2
156:16,24	199:14	340:23	335:21	262:22	188:10
163:18	214:22	346:15,16	345:9,12	279:4	thirty-one
169:7	240:4 311:2	thanking	things 12:8	thinks 122:25	26:13,14,15
173:13,14	312:8	280:1 283:2	17:7 20:2	339:25	26:22
181:2 182:1	344:11,21	thanks 37:8	35:8,15	340:1	122:14
189:11,14	tender 30:23	261:18	36:19 52:12	third 178:17	310:12
189:14	tendered	theory 88:18	52:13,15,22	190:23	336:21
195:10	11:18 16:5	88:19	55:13 59:8	thirteen 75:1	337:7,14

339:10	200:11,11	123:5,9,15	319:15	131:13	TIMOTHY
thirty-seven	201:24	123:23	322:10,21	142:16	2:6
179:23	216:11	124:22,22	328:7,8	147:6 148:4	tirelessly
182:23	236:17	126:3 128:4	331:5,6	151:19	52:8
thirty-six	241:15	130:25	335:18,23	152:7 153:6	title 43:24
28:9 75:18	244:1,13,19	139:9	341:17	156:2 159:5	58:11,16
123:1	245:4,7	149:14	344:21	166:17	59:1 60:21
181:16	247:15,16	159:23	three-minute	169:13	330:1
196:22	247:20	167:9	92:24	171:25	titled 195:1
291:4,14	257:2,18	170:11	three-page	174:23	247:24
293:23	259:4,7,15	176:13,13	190:25	178:4	to/from
294:15,18	259:19,25	179:6 189:4	220:25	181:20	132:17
294:23	260:1 261:2	189:6	thrilled 328:5	196:5 199:1	215:5,11
295:2,3,8	261:4 263:2	199:13	ticket 228:19	204:9	315:1
295:13,22	265:18	200:13	tickets 134:1	208:20	today 8:10
296:8	270:14	204:14,14	135:6	210:6,15	11:3 16:9
313:19	271:9,10	204:17	tie 193:9	211:2	16:10,14,25
317:15,16	272:15	206:7 213:8	tied 225:15	216:24	18:22 20:2
thirty-three	274:14,20	227:4,10	226:19	225:6,9	30:8 32:10
26:16 27:5	274:22	232:1,12	266:2	228:4	36:6 39:12
306:16	275:9,10,10	235:4	till 103:10	241:21	49:9 51:12
307:1,3	275:12,14	236:24	207:12	247:2	73:12
thirty-two	275:16,18	240:19,22	Tim 5:6,10	248:15,16	109:20
26:15 123:6	275:20	241:9	6:1 338:11	249:19	129:4,6
123:19	278:1,10,10	245:23	time 5:19	250:12,14	196:6 209:9
188:12,13	278:13,17	247:10,14	11:20 14:4	257:9 262:8	217:5,15
188:14,17	281:9	252:3,5,5	15:25 18:9	262:9 285:7	233:25
189:7	289:16	252:16	18:23 19:18	285:13	238:9,12
196:12,13	299:13	253:8 257:4	20:4 30:18	286:22	259:7 279:7
196:16	309:12	258:25	32:9,16	315:16	293:14
thought 15:2	310:11	260:18	33:5 35:17	331:17	309:24
15:3 34:21	321:25	262:11	35:24 36:3	332:4 335:5	312:9,12
48:20 60:15	thousands	263:7 264:8	37:11,12,15	335:8	327:19
60:22 70:21	12:21 81:19	264:11	38:13 39:4	341:25	328:1,3
71:7,10	137:7	265:10	50:14 53:13	343:19	332:24
73:9 83:24	237:14	266:4 270:6	55:2,6,8	timeline	338:11
84:12 85:21	threatening	275:15	57:4 67:20	331:20,23	343:19,23
91:16 92:2	71:9 79:15	277:11,25	75:7,21	times 83:23	344:1,6
94:16	threats 79:16	283:10,11	85:2 86:23	84:24	told 48:19
110:23	three 34:1	291:15	88:16,22	160:22	62:8,17
118:14	68:15 83:25	293:24,24	91:25 94:2	213:8,17	72:4 81:20
122:19	87:6 90:6	294:19	94:3,22,24	timeshare	86:16 87:10
125:6 127:3	90:21 92:13	295:23	98:5,20	97:6	87:21 88:13
130:3 158:7	96:1 107:5	302:4,5	99:2 101:6	timeshare-t...	89:20 91:22
161:7 170:2	108:15	310:9 312:2	107:5 109:2	97:3	91:23 115:7
170:2,23,24	111:9 117:5	312:8	111:17	timing 36:5	132:19
173:19,22	117:18	313:23	117:1	43:1 62:7	158:12
183:16	119:17,19	314:11,12	121:19	141:15	161:11
199:5	120:7 123:4	314:22	130:12,22	142:13	164:23

179:14	196:20	318:12	278:8	265:11	98:24
197:9 201:2	total 122:25	trailers 266:4	trapped	268:4 269:4	100:11,13
207:12	138:14	transaction	89:25	269:19	100:19,23
230:14	174:21	60:3 64:1	travel 207:24	300:5 304:3	100:24
239:15,16	186:21	72:24 78:10	treat 84:23	304:16,25	101:3
266:16	187:6,7	79:6 113:17	trial 187:3	305:1	102:14
270:5 271:6	189:7	152:8,10	188:20	319:24	104:19
277:8,8	190:11	209:25	189:11,16	320:10	114:15
278:20	192:19,23	285:12	196:11	334:16	115:10,15
286:20,21	198:13	286:10	197:3	344:18	121:3 122:7
289:10	200:8	289:7	238:10	trusted 61:22	124:21
292:23	218:19	transactions	trick 193:15	62:9 83:7	140:25
330:25	227:5	152:19,20	301:7	137:22	143:6
332:19	236:16,22	206:23	tried 30:23	178:9	145:22
333:16	237:1 273:1	209:22	54:7 65:8	trustee 241:1	156:21,24
335:1	277:23	210:3 212:6	101:2,2	truth 6:9,9,9	174:9,12
Tom 263:20	291:11,23	246:21	103:21	291:21	180:5
tomorrow	294:7,21	269:3,8	249:1,3,4	truthful	181:10
126:10,11	295:21	285:3	true 22:25	39:17	184:20
ton 223:20	321:3,4,17	318:23	37:24 57:17	truthfully	185:6,8,19
tonight	totally 61:22	transcribes	70:19 92:19	18:15,19	186:6 189:8
281:24	137:22	19:2	101:11	try 12:16	189:9,10
tony 71:18	178:9 181:9	transcript	133:2 136:5	19:11 23:25	198:16,18
75:25,25	totals 198:12	19:3 347:14	138:2	24:4 28:1	214:20
76:1,4	198:14	transfer	152:12	58:4 65:2	217:5
83:16 92:12	touched 52:1	37:13,22	160:18	68:5 81:14	229:15
119:9	279:22	72:17	181:20	110:10	248:22
122:13,25	tough 226:6	105:23	183:3	188:25	250:23
153:7 158:8	235:25	131:20	286:23	199:7	251:4
160:13,13	town 22:18	162:23,25	339:13	213:10	253:23
160:24	134:5	258:8	347:13	244:19,23	255:3,19
161:8 163:1	157:11,14	318:15	true-up	264:2	274:9 278:6
265:7,25,25	235:25	337:13,17	132:17	273:12	278:7
266:11,12	327:6,15	transferred	135:9,18	285:24	283:19
267:2,18	328:4,6	56:15 63:11	136:1,23	289:12	287:12,15
273:7	332:20	63:13,13	201:19	328:22	301:7
274:25	341:13,23	73:24 74:18	trued 136:8,9	331:22	305:14
304:13	344:14	74:19 101:6	138:1	trying 15:8	310:13
Tony's 119:8	346:5,5	162:24	truly 83:24	34:13 35:14	315:2 317:9
122:24	trace 159:24	245:12,24	Trump 28:19	36:12 53:24	324:20
top 89:18	traced	258:12	Trump's	54:23 55:13	339:20
100:12	159:25	300:11	28:14	58:2,19	342:9
116:16	track 228:7	301:4,16,19	trust 151:7	59:22 64:14	tubs 145:10
170:4 254:8	232:2,23	318:11,13	153:2 158:1	67:11,11	154:11
270:21	339:20	318:24	158:3	69:23 71:8	Tuesday 1:12
340:24	tradesman	320:7,9	159:21	78:16 79:3	347:6
topic 81:1	292:9	transfers	199:10	79:7 81:20	tumbled
Toronto	trail 72:19	268:3	245:24	90:16 91:17	85:23
186:7	283:9,24	transparent	264:6 265:9	94:15 98:1	344:16

turn 26:13	179:24	143:12,13	44:23 45:19	308:15	234:17
37:3 38:1	190:8 291:7	148:9 151:8	97:12 98:25	United 1:1	
112:10	295:3,13	154:19	122:8	6:23 86:13	V
187:1 194:5	296:9 311:7	typo 294:5	124:22	units 89:1	V 3:4 22:16
194:24	313:19		126:13	96:1,18	V-I-E-R-S
218:14	317:17	U	127:23	236:1,4,10	6:20 22:10
263:25	twenty-four	U.S 5:5	129:5 143:6	236:11	V-I-R-E-S
338:25,25	155:9	347:11	145:5,22	unity 58:11	22:11
turned 94:16	344:12	UCC 306:18	150:4 156:9	59:1 60:21	vague 20:13
94:17	twenty-nine	306:23	156:15	unpaid 310:6	20:18
turning	167:2 170:3	Uh-huh	181:11	unquote	valid 40:15
188:19	181:17	95:19 251:7	189:9 196:9	261:7	41:6 80:17
TV 50:15	182:5	317:20	196:18,23	unsigned	Valuation
TVs 96:4	344:11	ultimate	199:16	81:14	220:14
twelve 52:21	twenty-one	45:22 51:6	200:22	unwritten	value 108:16
155:6	26:6,11	94:7 110:19	201:8,9	325:12	108:22
157:16	twenty-seven	169:15	218:6	upfront	114:16
177:6	196:24	ultimately	219:14	106:22	116:22
181:19	313:22	31:15 33:23	226:24	108:21	117:5,10
182:9,11	314:4,24	35:4,25	227:9 260:6	139:7,14	119:17
183:7,24	317:19	41:21 51:7	260:13,17	140:20	236:12,23
184:1,3	327:21	70:16 94:21	260:18	142:14,19	312:16
189:2 247:9	333:9	111:21	273:2 274:4	148:13	values 108:17
267:13	twenty-six	137:2 283:8	282:7	232:20	variance
329:23	76:8 89:4	285:4	285:11,16	upped 75:11	342:17
twenty 26:6	twenty-two	297:11	313:4,6	upset 84:25	variances
26:10 34:15	34:16	304:2	315:6	upside 345:3	59:14
99:6 135:7	141:21	318:10	317:14	use 18:24	155:10
148:25	182:4,5	319:1	322:24	51:15 58:2	342:11,12
150:2	183:7 239:6	321:15	339:16	67:16 92:25	344:12
175:16	twice 120:21	UMass 26:24	343:8 344:8	236:2 259:5	various 28:5
176:20	217:7	unable 18:18	understan...	260:3	28:6 265:22
177:11,12	242:19	unbelievable	82:2 213:13	265:10	342:11
241:12	317:12	79:16	227:18	287:19	veers 6:17
297:12,13	338:9	uncertain	247:13	296:1	Vegas 100:20
297:14	two-year	20:18	304:11	312:21	vendor
301:18	332:13,14	unclear	310:16	326:16	213:14
303:7	332:18	285:15	311:19	341:12,17	vendors
312:11	TWTROY...	underground	312:3,20	342:1,4,11	213:18
320:8	263:22	145:13	316:22	342:25	Venegas
321:10	type 46:10	underneath	325:1	343:15	222:1,2,3,4
twenty-eight	218:1	337:23	understood	USREDA	Ventures
119:4,9,11	219:16	345:1	194:2	72:19	24:12,13
120:13	338:24	undersigned	union 91:12	105:24	42:12 44:11
267:7	typed 112:1	347:10	unit 58:9	106:1	44:19 45:4
twenty-five	typically	understand	87:5,7	usually 15:11	45:8,11,13
75:2 89:3,4	138:25	19:10,16,24	93:25 96:4	161:5	verbal 124:18
146:13	139:4	20:22 21:4	97:5 223:4	utility 51:15	verbally
162:11	142:23	21:11 44:21	223:8	utilized	19:14 62:18

69:14	93:18 97:10	191:20	265:1 295:7	260:3	338:5 343:3
verify 220:22	97:21 98:5	192:20	311:16	263:22	345:2 346:2
version	101:14	195:17,22	335:7 346:8	286:21	ways 137:10
216:23	105:9 118:8	205:16	wants 217:11	290:8,10	233:20
289:23	153:7 159:9	208:19	217:13	294:17,20	313:5 340:7
versus 54:19	163:1	217:10	warehouse	307:16,17	we'll 18:22
83:1,3	174:22	230:1	64:13	312:10,14	29:9 30:8
215:1	240:19	241:21	wash 201:4	324:5,6	56:25 57:1
victim 345:20	244:5	257:9	306:17	327:13,14	63:25 64:1
Viers 1:7	258:11,17	276:12	307:2 313:8	335:8	85:14
6:12 347:4	268:7,24	281:11	washed	344:18	109:23
violations 7:1	269:12,17	284:23	308:17	waste 241:21	130:6 147:3
7:3	269:23	285:1,11,15	washer	water 18:25	147:9
voicemail	271:1	286:25	154:23	51:16 93:1	159:18
126:9,12	272:21	287:1	156:19	watercraft	165:9
vulgar 192:5	273:1 280:5	293:14	wasn't 33:20	209:12	206:14
	302:4,18	300:10	33:24 35:9	way 39:19	213:6
W	330:16,22	313:6	55:23 61:24	48:22 72:6	216:12
wait 62:1	334:14	328:10	80:17 84:22	72:21,25	291:1,2
200:12	345:9,14	338:17	85:18 92:19	91:16	301:5
waivers 9:15	Walsh's	342:9 343:5	95:12 99:3	102:18	321:13
walk 94:23	70:17	343:7,20	120:21	105:14	323:4
104:24	113:17	344:1,4	129:18	107:14	we're 5:3,17
105:6	160:1	345:5,14,18	131:6,19	137:5	6:4 8:5 64:2
155:13,15	242:10	346:1	136:9 137:9	143:17,21	66:24 85:16
walked 89:17	268:2,5	wanted 17:7	137:21	143:25	87:17,19,23
325:18	272:11	26:7 35:21	141:12	147:1,2	89:23,24,25
walkway	want 16:24	48:21 61:18	144:25	148:1,5	115:15,15
170:19	18:23 19:20	62:19 85:20	146:23	149:3 151:9	124:21
wallet 22:15	24:4 39:11	94:11 99:1	154:15,17	152:3	138:6,7,7
Wallingford	59:15 60:9	99:21	156:23	158:18	142:9
64:9,15,19	60:9 67:17	102:25	161:19	164:25	144:14
64:24 65:5	72:17 80:25	103:3 104:1	165:25	165:22	153:19
91:1	86:4 94:8	104:15	166:16	171:15	176:11
walls 329:14	97:11 100:6	110:13,22	172:5	172:1 174:8	178:9 180:4
Walsh 42:18	104:24	120:20	178:14	178:11	180:20
43:16 44:6	113:13,15	121:2,21,25	187:17	188:14	189:8
44:7,10	117:20,23	143:21	188:17	190:5 192:8	194:24
45:2,13	118:5	147:12	189:10	212:24	231:17
57:21 59:17	122:17,18	148:15	196:14	213:1 218:8	256:8 265:5
61:9 67:16	129:6 130:9	149:3 154:1	202:1 205:3	218:10	273:18
67:17,17,18	134:10,21	154:4,14	223:17	236:6	277:3 312:1
67:20,21,23	141:1 143:2	156:6,20	224:5	245:20,25	322:18
68:10,17	146:11,22	160:20	225:13	253:18	327:1,6
69:25 70:15	155:19,19	199:6,7,16	226:7,11,11	257:1	341:25
70:17 71:18	157:15	216:9	233:2,6	261:19	342:4 344:2
73:20 82:8	170:16	246:10	236:21	307:20	we've 9:13
82:14,16	174:7	255:22	244:1	323:9	19:22
83:1,3 85:4	188:24	264:24	249:13	324:17	319:16

343:23	179:21,23	53:17 242:4	women 84:23	239:16	190:17
wealthy	180:3,4	242:25	84:24	289:8	341:14
247:9	189:13	Whey 335:4	won 87:1	296:24	worry 278:23
web 220:3	199:1,23	white 329:13	wonder	302:25	worse 285:22
website 62:16	200:18,25	whosey	85:21	312:15	worst 345:23
220:4	202:11	191:20	wondering	313:15,15	worth 79:2
228:19	203:14	wife 9:12	169:18	324:19	104:17
week 88:2	207:25	24:11 28:6	266:16	327:14	185:18
92:18	210:25	34:2 48:13	274:14	343:13	193:21
174:10	212:16	50:11 53:5	word 41:16	346:7	264:25
197:24,25	213:7	53:25 65:22	105:17	worked 52:7	308:14
232:8	220:23	66:1,2	270:9	54:8 82:25	312:18
weekly	223:5	74:25 75:12	words 20:16	91:18	would've
255:11	230:23	76:7 84:23	128:2	104:16,17	55:22 56:20
weeks 277:11	235:11	89:10,11	223:23	104:17	56:21 63:20
279:5	239:1	103:8 134:2	261:2	131:6 151:9	95:8 97:17
303:16	244:11,19	214:5	329:13	166:7,25	97:18 137:9
Weiss 268:8	248:23	235:14	work 53:13	167:11,11	148:20
268:19	249:2,3	wife's 49:22	53:20 54:2	186:17	150:11
welcome	267:20	50:1,5	54:17,19	202:14	205:19
250:17	270:1	57:11	55:3,10,12	222:13	212:25
Wells 310:20	271:24	213:24	55:13,19	225:6,8	213:1 214:3
310:22,23	285:4	Wikipedia	62:6 83:3	226:2,3,4,9	214:5,8
310:24	292:22	328:15	86:2,2,8,20	226:20	219:6
311:6,8	295:6	win 293:13	95:16	227:6 228:4	227:24
went 12:16	300:14	332:25	130:23	228:5,6,6	236:14
12:18,19,25	319:23	window 95:8	139:9 155:5	229:3,4	240:12,12
13:2 15:10	321:2 327:4	wing 145:12	166:24	235:6,10,11	240:15
48:17 49:1	329:23	145:12	168:25	287:15	262:6 271:8
51:7 56:11	331:22,24	Winnebagos	170:14	329:1	299:13
59:2 69:19	332:13	84:21	173:10,18	344:22,23	322:9,15,20
72:20 73:22	weren't	wire 77:15,16	174:1 176:6	working 54:1	322:22
76:20 86:14	37:19,20	105:23	177:1,10,22	54:20,22	325:16
87:17 88:10	63:13 135:3	258:11,11	178:5,20	86:10 94:20	332:21
89:6,9,9,10	138:1 160:5	298:22	179:3,6,7	131:9 134:4	wouldn't
89:12,16	160:7 206:3	wired 75:19	190:15	142:9,16	58:10 61:11
91:9,22	206:5 225:4	76:11	191:2,22	167:8 169:9	61:16 62:1
93:17 96:5	287:6,8	122:14	192:17	169:11	71:9 78:15
98:5 109:17	West 2:19	283:12,24	193:21	176:19	78:17 121:3
133:15	8:6	297:22	210:8	218:22	159:3,6
134:1,6,24	Weston 48:7	299:1,2,16	214:11	239:17	170:21
135:3 136:7	48:14 68:13	299:18	217:7	296:22	196:25
137:5,10,25	68:22 69:14	wires 122:25	219:16	297:5 312:7	209:25
149:16	83:5	wish 343:25	222:17	329:16	246:9
150:6 155:2	whatsoever	withheld	223:18,20	works 246:12	263:24
161:2,17	20:17 21:1	13:10 17:25	226:13,17	world 87:2	267:24
162:6,18,19	When's	woman 87:1	232:10	129:4,5	275:24
164:1,3	273:17	woman's	234:12	143:5 145:3	289:9 338:8
165:11	where'd	192:3	237:19	145:5	wow 85:19

101:24	year 26:24	188:4	10/23/13	136 298:8	69:5
wrap 151:16	62:17 67:24	212:18	248:1	139 303:20	152 3:17 74:3
Wright	91:23	218:21	250:13	13th 15:16	74:4,11
219:19	101:25	298:8	10/23/2014	79:22	153 3:18
221:15,19	130:23	334:14	121:9	105:10	76:21,22
221:20	132:18		10/25/2014	118:18	77:1
write 334:20	135:25	Z	38:2 189:22	119:15	154 3:19
334:22,23	136:17	zero 110:16	10:58 93:6	343:24	79:23,24
writing 71:13	146:13	218:20	101 277:1	143 10 37:16	80:3
82:4 84:2	171:23	293:24	10th 68:24	49:13 210:8	155 3:20 81:5
224:3	183:14,21	294:6,7,15	119:14	216:20	81:9
248:13	184:1,4	294:15,15	258:1,2	282:4	156 3:21
251:14,16	223:7	zone 342:3	11 3:8,9	142 3:7 10:18	125:15,16
252:10	242:16,17	0	208:15	10:19 11:1	125:20
267:10	year's 248:16		11/10/14	143 3:8 11:9	157 3:22
323:8	years 26:23	06 149:14	248:2	11:10,15	168:16,17
written 52:25	28:22 46:20	167:2	335:21	13:24	168:21
82:10	49:11 64:23	341:22	11/20/12 3:15	144 3:9 11:9	158 3:23
105:12	67:4,25	344:10	11/25/12 3:21	11:10,15	180:10,11
217:11	79:15 85:23	07 312:11	11/25/2012	13:24	180:15,15
323:3,4	100:10	08 33:25	125:13	145 3:10	159 3:24
wrong 97:9	124:5	48:12 91:12	11/29 252:1	14:17,18,22	197:16,17
105:10	130:23,24	206:8	11/29/13	146 3:11	197:21
106:10	130:25	220:21	251:21,21	15:18,19,24	199:19
132:25	139:2,10	241:1	11/4/2012	16:6 17:15	15th 79:23
174:8	149:15	287:13	112:4,7	17:18	159:23
185:17	157:15,16	09 91:12	11:26 113:25	147 3:12	297:25
228:19	164:15	1	115 205:7,8	15:18,19,24	300:4
239:8 286:5	166:12	1 1:8 7:13,15	205:12	16:6 17:15	16 49:13
290:9,11	167:9	7:19	11th 102:3	17:18	160 3:25 8:16
318:17	199:13	1&1 213:16	12 250:21	148 3:13	25:5,6 29:8
331:25	215:14	213:21,21	257:19	21:16,17,21	29:22 30:1
wrote 52:16	229:6,9,11	213:22	12/24/2013	149 3:14 25:3	30:13 33:4
143:20,22	293:13	1/1/13 189:4	280:21	29:11,14,18	33:10,12,14
167:2	312:8	1/31/14	12/31/12	185:1	33:17,23
285:19	344:21	192:12,13	189:5	224:18	35:7 56:23
294:6	345:3	193:11	12:07 153:15	337:25	60:4,5
	York 34:20	1/7/2013	12:49 153:20	340:3	131:14,21
X	34:22 54:11	71:16 72:10	122 96:9	14th 11:8	132:8
X 191:17	54:11 220:2	1/7/2015 40:2	123 96:9	15:17 24:22	133:11
304:5	223:6	1/8/13 3:17	125 3:21	37:17 42:18	134:21
X-amount	younger	1/8/14 172:18	12th 10:17,24	159:22	135:3,8
120:19	85:12	1/8/2013 74:2	14:16	160:2 332:2	149:2 150:7
160:21,23	Yu 77:2	10 3:4,7	13 210:8	15 3:11,12	150:18
168:2 233:1	79:19	273:21	238:7	49:12 210:8	151:5,20
341:25	114:10	10/2 273:24	257:19,20	150 3:15	152:8 158:9
	130:14	10/2/14	133 338:23	42:19,20,24	160:8,13,23
Y	151:16	122:24	135 287:18	151 3:16	161:3,18,25
Y 191:17	187:10	10/23 117:25	288:7	68:25 69:1	162:2,3,4
304:6					

162:14,17	197 3:24	79:22,23	298:23	42 3:15	306:10
162:19,20	19th 31:12	95:5,6,17	300:10	4267 194:25	
162:20	1st 23:6	97:10	320:16	4276 187:2	<u>7</u>
171:12	182:18	118:18	272 185:24	45 336:8	7 334:13
175:3		121:15	279 4:4	4592 336:3	7/13 4:5
193:22	<u>2</u>	169:13	282 4:5	4599 238:16	7/26/13 269:2
201:3 206:3	2/12/15 3:10	172:5,12	285 4:6	239:5	718 64:8
206:17	2/24/15 3:8	180:8	29 3:14	4600 238:21	743:17
207:1,15	2/3/14 252:24	183:14	29th 251:22	467-9200	7506 171:9
209:11,15	20 289:22,24	184:6 187:4		1:25	7550 254:8
212:11	2007 341:11	187:15,20	<u>3</u>	472-2970	254:18
215:1	2012 23:6,19	231:3 255:6	3/28/14 254:2	2:20 8:7	7552 253:9
216:25	28:1,22	270:20	300 2:18 8:6	4756 184:16	763:18
225:15	42:16 68:22	2015 11:7,8	305 2:12	186:21	77 70:11
248:3,5,9	68:24	14:16 15:16	30th 29:25	4th 101:19	71:18 74:7
257:9 262:9	105:11	15:17	68:21	320:17	78 100:4
284:18	125:21	262:10,12	150:19	<u>5</u>	79 3:19 101:5
290:13	169:12	297:24,25	183:18,19	5 114:7 127:7	102:3
298:2	174:23	2016 10:17	183:20	273:13	7918 217:2
305:18	182:4 183:4	10:24	299:9	277:22	<u>8</u>
335:15	210:7,15	101:20,22	300:12,17	292:5	8/14 3:18
336:22	241:24	101:23	31 1:12	5.5 292:4,6	8/14/2014
337:8 339:9	242:10,17	102:3	212:11	293:1	37:5
340:17	331:22	2017 1:12 5:3	250:20	5/13/15 3:20	8/15/2013
160's 132:16	332:1	93:6 113:25	347:6	5/13/2015	319:24
206:21	2013 29:25	153:20	31st 5:3 93:6	81:2	8/26/13
207:23	30:12 82:5	343:24	113:25	5/15/2013	252:15
228:14	95:1,2	346:18	153:20	261:16	8/30/12 3:16
161 4:4	147:7	347:6	181:15	5/23/14 339:2	8/31/13 189:4
279:14,17	150:19	202 1:25	346:18	505 2:17 8:5	250:21
279:21	159:20,23	20th 31:18,24	33131 1:11	51 218:15	8/31/2013
281:6	169:18	42:16 43:6	2:11 347:7	561 2:20 8:6	200:4
162 4:5	171:23	21 3:13	33401 2:19	577 340:21	80 104:24
282:18,19	182:18	21st 32:3	34276 196:12	5797 251:6	112:7
282:23	183:11,20	39:2 121:12	348 1:8	5th 187:3,15	801 1:10 2:10
163 4:6 285:2	232:10	22 9:18 49:18	38399 169:24	187:19	81 3:20
285:5,10	246:20	51:3,11	<u>4</u>	<u>6</u>	83 243:9
1662 7:12,16	270:19	56:6 133:16	4/13/15 3:11	6/10/14	84 256:17
168 3:22	282:14	137:6	4/14/15 3:9	122:13	85 261:15
17 265:6	291:8	22's 56:15	3:12	6/17/14 115:1	8th 169:13
1719 3:24	298:23	2254 190:19	4/15 257:15	6096 268:2	172:12
197:16	299:9 300:4	22545 190:3	4/15/2003	6103 252:6	173:1 200:7
18 268:22	300:10,12	22nd 171:22	307:6	66000 218:17	291:8
282:5,7	320:17	23rd 121:15	4/15/2013	6670 188:9	295:11
284:8,14	332:2	248 3:25	257:17	66700 219:12	<u>9</u>
180 3:23	334:11	24th 11:7	4/25/14	66765 240:4	9 185:12
1800 1:10	2014 31:12	25th 39:3	340:21	69 3:16	9/1/13 173:5
2:10	32:3 37:17	26th 85:9	4:26 346:18	6th 90:12	9/10 185:14
183 243:6,8	42:18 76:19	125:21	346:19		

Page 393

9/12/16 3:7					
9/13/14 3:19					
9/13/2014 79:18					
9/14 3:23					
9/24/2014 185:10,13					
9/25 195:3					
9/25/2014 195:4					
9/26/2013 320:4					
9/3 301:15					
9/3/13 336:11 339:9					
9/3/2013 320:7,9					
9/6/2013 306:7					
9:12 1:15 5:3 280:21					
9:30 343:24					
91 336:8					
982-6300 2:12					
9th 183:14					

SEC_000762